

NØW – Social Return on Investment

Demonstration Project

This is a Social Return on Investment (SROI) Report – the first of two demonstration projects funded by Belfast Local Strategy Partnership. The BLSP programme is designed to explore areas in which impact measurement can be applied to measuring the economic value of social activities.

This pilot research – the first of its kind to be carried out in N Ireland – is the result of collaboration between Lodestar and the director, staff, participants & their families of the NØW project based in North & West Belfast. The process and report also greatly benefited from input by NEF (New Economics Foundation).

SROI is a new methodology which aims to demonstrate the value creation of a project or activity. It is based on measuring that value in social as well as economic terms and comparing the end value over a number of years to the original cost of the project or activity (Return on Investment). Often with SROI it is possible to determine that considerable value not normally accounted for is returned to the local or regional economy by the activity of community based projects.

Since April 2004 the NØW Project has developed two separately funded Programmes which deliver training and employment services to people with learning disabilities in North and West Belfast. In an area of high social deprivation and social disadvantage people with learning disabilities find it particularly difficult to find a job and keep it. NØW has designed their programmes to provide the training and support necessary to enable people with learning disabilities to overcome these barriers and gain paid work in their local communities.

NØW has new office premises in West Belfast and additionally has a Coffee Bar / training kitchen at the Millennium Community Outreach Centre close by.

From these two venues they deliver accredited and vocational training in Catering and Hospitality and the Employment Team provides an individualised mentoring programme to support people as they move into paid employment.

NØW Location in North & West Belfast

Belfast is divided into 51 wards and North & West Belfast comprises 28 of these. Consequently, N & W Belfast represents a majority of the population of the city. The proportion is expected to rise to over 57% of the population in the next ten years. However the area has a very high degree of segregation more than 50% of the Wards are either 90% Catholic or Protestant.

The area is characterised by a number of factors all of which impact on the level of deprivation experienced by the population in the area¹. Key among these are:

1. High unemployment rates – although the unemployment rate in the last 10 years across Belfast is falling as a whole, 66% of unemployed people in Belfast live in North & West.
2. Resulting high benefits dependency – the number of Job Seeker Allowance claimants for the area was almost twice the number in South & East Belfast (sample taken in Feb 1999). This trend was mirrored across a range of other benefits claimed.
3. Low Educational attainment – although patterns were not as clear as in other indicators (there were some pockets of high educational achievement with these pupils moving on into higher Education & potentially better future economic prospects) it emerged that a number of West Belfast wards produced the lowest educational performance which may be a significant indication of future economic prospect for those people.
4. Exposure to political violence – nearly three quarters of people from N & W Belfast reporting poor health attributed their ill-health to experiences of living through political unrest. 40% of deaths of members of the resident population as a result of the conflict happened in Belfast. North & West Belfast experienced 75% of deaths that occurred within Belfast.

¹ All figures that appear in this section are obtained from the Labour Force Survey 2002 – Dept. of Enterprise, Trade and Investment (published April 2004)

In terms of targeting need, NØW's work reflects the very specific needs of North & West Belfast. Viewed in relation to national trends, the scope of the work would be as follows:

- ◆ There are 327,465 disabled people in N Ireland
- ◆ 33% of people over the age of 55 have a disability
- ◆ 63% of disabled people are economically inactive
- ◆ 58% of working disabled people earn less than £10000 per annum compared to 30% of non-disabled people
- ◆ Disabled people are twice as likely to have no qualifications.
- ◆ Disabled people are those most likely to be underemployed, experience long periods of unemployment or in many cases total exclusion from the labour market. Where employment opportunity occurs it is most likely to be low paid/entry level jobs and temporary work.
- ◆ North & West Belfast is an area in which 16.5 % of the population aged 18-64 are classified as disabled (claiming Disability Living Allowance) compared to 7.5% in other areas of Belfast.
- ◆ It is currently estimated that there are some 400 people of working age with a learning disability living in N & W Belfast and attending a day care facility.

It is this group of people who need daytime support with whom NØW works.

What NØW does

NØW aims to provide high quality training and employment services for people with learning disabilities living in North and West Belfast.

The organisation was formed in 1996 by parents and carers concerned by the lack of opportunities available for people with learning disabilities living in the area. NØW aims to enable people with learning disabilities to gain the training and support they require to become successfully employed and contribute to their local community.

Emphasis is placed on the person's ability and NØW provides the assistance each individual needs to become more integrated into their community. The NØW Project has a recent history of providing progressive training & employment services to people with disabilities. All services strive to increase the active participation and social inclusion of participants. Through continuous improvement and recent expansion NØW will remain a high quality service provider in the area.

In 2001 NØW began their initial work funded by Belfast Regeneration Office and North and West Health & Social Services Trust which enabled them to create two Coffee bars/ training kitchens and deliver a three year programme providing catering training and vocational skills to people with learning disabilities. The Programme proved to be very successful and created a platform from which NØW was able to develop the services they have today.

In April 2004 with successful applications to a number of different funding sources NØW launched the current phase of activity. This comprises three programmes:

Employment Programme

NØW offers participants career-counselling, assessment, job development, job placement, on the job training and ongoing customer service. Currently there are over 50 people linked with local employers. Procedures have been developed to ensure that job seekers are more accurately matched to job opportunities.

Essentially, the NØW Project is a non-profit employment agency for people with learning disability. It provides potential customers (employers, the worker with a disability and the community at large) with an individualised customer service.

Catering Training Programme

NØW provides vocational and accredited training to people with learning disability in North and West Belfast. The training team works on a one to one basis with each person to enable them to develop their catering skills and work towards achieving a nationally recognised qualification in Hospitality and Catering. It provides training in the following areas:

- N.V.Q. Level 1 in Catering and Hospitality
- Essential Food Hygiene
- Silver Barrista Coffee Making Certificate
- Health and Safety in the Workplace

Classroom based training is provided at our own premises and trainees gain practical experience at our Coffee bar/ Training kitchen based nearby.

The training programme has been developed to meet the needs of local employers, and ensure that all qualifications provided are recognised within the sector. Individuals graduating from this programme have the practical skills and academic qualifications to meet recruitment and retention needs of local employers.

Essential Skills Programme

The Essential Skills Programme aims to provide training and support to people with learning disabilities to develop and improve their literacy and numeracy skills, while also providing training in the following Open College Network accredited training programmes:

- Pre-employment Skills
- Money Management
- Independent Travel

NØW delivers Literacy and Numeracy Certificates which are accredited through The Award Scheme Development and Accreditation Network (ASDAN)

The courses provide work towards improving Literacy and Numeracy while also tackling the barriers to employment faced by people with learning disabilities. Reading, writing and working with numbers are essential skills for all areas of our lives from buying groceries to filling in forms. The programmes specifically address the barriers of how to get a job and keep it, understanding money and getting paid and how to travel independently. All courses are tailored to the needs of the individual.

Now Participants

The majority of individuals who will avail of this Project have had few if any opportunities of this type before. They are likely to be interested in gaining accredited qualifications and acquiring training or employment experience. The Project may also support individuals with a Learning disability who have accessed employment before but failed due to the lack of support available to make their placement successful.

The project tackles the specific training needs of people with learning disabilities about to enter the labour market, those who have been defined as long term unemployed or economically inactive and those in employment; all of whom have low essential skills levels, lack academic achievement and vocational training and require one to one support and individualised training to access paid employment opportunities in their local areas.

Background to Learning Disability

There are 900 people with a learning disability listed with the local Health & Social Services Trust, of those 380 attend day care facilities regularly.

NØW is actively working with this section of the population which is meeting daily challenges to face up to exclusion and discrimination. A core aim for most people will be to continue to work towards accessing mainstream services and perhaps to function more independently outside their own locality. People with learning disability are doubly disadvantaged by the nature of their disabilities and the area in which they live. This is impacted by the same experiences that the whole population of this part of Belfast will have had as a result of well over 30 years of civil unrest -

“people of North and West Belfast have over past years had greater exposure to political violence and extreme experience of the Troubles, including deaths of loved ones and first hand experience of clashes between the security forces and paramilitaries, between paramilitaries.....within paramilitary organisations, sectarian assassinations and punishment beatings and shootings”²

² Caring through the Troubles – Smyth, Morrissey, Hamilton; 2002 – Institute for Conflict Research

In many cases it has been overlooked that people with a learning disability who live in the area have experienced the same stresses, bereavement and confusion during the Troubles as any other. With such high levels of unemployment and social deprivation the competition for jobs in the area is high and often people with learning disabilities find it impossible to access opportunities independently. NØW's services have been designed to skill people to meet the emerging employment opportunities arising from the economic regeneration that is taking place as a consequence of peace negotiations and resulting in new economic opportunities locally.

Background to Employment within the Catering and Hospitality Sector

One of the major legacies of the conflict in N Ireland has been a historic discouragement in the tourism and hospitality industry. The extent of the impact is shown in the fact that whilst the industry was struggling to contribute 1-2% to GDP the same in the Republic of Ireland was climbing steadily towards it's current contribution of approximately 9% of GDP. It has also been found that during the Troubles the industry has faced steadily increasing chronic skills deficits i.e. the inability to recruit and retain staff and the gap between the skills possessed by staff recruited and those required by their employers. It is this gap that is providing NØW with an opportunity to train and place people with learning disability in jobs in this sector.

The NI Labour Market Review 2002 shows that the industry remains a huge employer providing employment for 1.9 million people. Net value has continued to rise steadily, up to 1.3% in 2000 to £25.9bn, with efficiencies in business and the development of better technology both helping the industry to become more profitable.

Labour turnover, within the sector, remains high, although this is partly due to the seasonality of the business. This is borne out by the fact that 13% of people see their present job in hospitality as a stop-gap to finding another.

Despite a huge array of hospitality qualifications available, one in ten people working in the industry have not passed any exams. There has also been a drastic fall in the number of registrations for hospitality and catering students down by 45% in 2000/2001- which is not helping employers who are struggling to fill vacancies.

12% of employers said that a lack of applicants with the right skills was one of the main reasons for hard-to-fill vacancies.

NØW is therefore in a key position to train people but has the unique opportunity of being one of the very few organisations nationally that is in a position to train & support people with a learning disability to enable them to take advantage of gaps in the employment market. This might be seen as a NØW Unique Selling Point.

The process people undergo with NØW

<p>Referral Stage Trainees are referred through a number of sources such as Daycentres, Social Workers, College, Parent/Carer and self referral. The essential criteria includes being registered with North & West Belfast Trust and having a severe learning disability. At this point NØW try and establish what service is required and create a rough action plan.</p>	
<p>Vocational Profile Staff meets with each Trainee to discuss the options available - a person centred approach is taken. By working together they identify what the trainee's aspirations are in life and their level of understanding with reference to training and employment, and then establish a way forward.</p>	
<p>After a detailed discussion agreement is reached as to which of NØW's services they will begin with. If the person is interested in gaining vocational training and accredited qualifications they will register with the Catering /Training Programme if they are not interested in Catering or already have the necessary qualifications they will register with the Employment Programme.</p>	
<p>Catering Training Programme</p>	<p>Employment Programme</p>
<p>At the point of referral to the Catering Training Programme individuals visit NØW's Training kitchen to meet staff and other trainees. Staff explain the services provided by NØW and the rules of the Coffee Bar.</p> <p>Anyone registering must firstly fill in an application form and attend a short interview. They are then placed on a waiting list until a place becomes available when they will receive a letter giving details of their start date and training times.</p>	<p>The Employment Support Officer works with the trainee to build up a profile. They complete workbooks such as:</p> <ul style="list-style-type: none"> • All About Me (gathering personal information about the individual), • All About Work" (determines a persons level of understanding with reference to work) and • Health & Safety Packs like manual Handling, Fire Safety and COOSH regulations. <p>NØW believes that if the profiling and job searching are accurate this should encourage a successful placement/employment in the future.</p>
<p>Each new trainee undergoes a short induction which enables them to become familiar with the kitchen and colleagues. During this induction the Chef Trainer goes through he following items:</p> <ul style="list-style-type: none"> • Trainee contract • Uniform/Dress code • Programme rules • Fire Drill/tour of the building • Six week work plan 	<p>Once the profiling is complete the Employment Officer and the individual can concentrate on job matching/job searching. They look at the skills the individual has and match them to possible job descriptions of their choice.</p> <p>An individual may require a selection of job sampling opportunities to allow them to make a realistic decision for a permanent position. Job sampling would involve a mixture of time bound placements such as catering, admin, horticulture etc....giving the individual the opportunity to make a more informative choice as to where they would like to work and what they would like to do.</p>

Catering Training Programme	Employment Programme
<p>Each persons work plan is unique but all follow the same guidelines:</p> <p>Week 1 - Introduction to staff trainees and kitchen routine</p> <p>Week 2 - Introduction to kitchen routine</p> <p>Week 3 - Observation completing tasks e.g. pot wash/vegetable prep</p> <p>Week 4 – Observation/ completing tasks e.g. sandwich preparation</p> <p>Week 5 - Observation /co pleting tasks e.g. set up trolleys for functions</p> <p>Week 6 - Review work/complete individual assessment and action plan</p>	<p>The Employment Support Officer starts to job search with the individual using tools such as the internet, recruitment section in paper, jobcentres etc...</p> <p>Employment Support Officer advises potential employers about the service the NØW Project offers and the qualified staff members we can provide. It is important that both parties feel comfortable with the overall process and NØW carry out Risk Assessments, Site Analysis, Disability Awareness Training and Health & Safety Information.</p> <p>NØW also provide Job coaches that assist with “on-the-job-training” if required at placement. A NØW Job coach will shadow an individual in their work and provide them with any support they require – this can be anything from help with toileting or feeding to making sure that tasks are broken down in a way that the person can carry them out. This support is reduced when deemed appropriate by the individual and the employer.</p>
<p>In week 6 a review meeting is held which includes the Catering Training Manager, trainees, parent or carers or Day Care staff member to discuss the person’s progress if the individual and NØW staff are in agreement the person then begins to discuss what they want to get from the Programme. If they are unhappy with the Programme or feel it is not for them they can exit at this point.</p>	<p>When on work placement or in paid employment each individual will receive a work plan detailing all duties required of them when in work.</p> <p>Employment Support Officer is responsible for developing this plan, breaking down instructions for the duties and ensuring the individual understands the plan and meet the requirements of the employer.</p>
<p>After approximately 3 to 6 months the trainee will commence N.V.Q 1 in Catering & Hospitality. This involves the trainee also attending theory based training one day per week. As part of this programme we have invited guest speakers to cover a range of topics relevant to their training.</p> <p>By delivering training in this way NØW able to ensure that each person gets the support and encouragement they need to get accredited qualifications. Training is delivered in a classroom format to groups of 4-5 people with a Chef Trainer and support worker.</p> <p>The group also invite guest speakers to deliver information relating to their NVQ or Essential Food Hygiene.</p>	<p>It is impossible for NØW staff to support each individual during each work day so from the very first meeting with an employer the Employment Support Officers/ Job coach aim to develop good relationship with co=workers and establish a natural support within the workplace.</p> <p>A natural support is a co-worker – who nominates themselves or is nominated by the Manager to assist the individual with a learning disability as NØW’s support is withdrawn.</p> <p>The natural support is involved in the development of the work plan ensuring that they are familiar with the duties and are a point of contact for the individual if they face any problems. The natural support is encouraged to contact the ESO if there are any problems with the placement.</p>

Catering Training Programme	Employment Programme
<p>NØW provides NVQ Catering 1 in three different areas:</p> <ul style="list-style-type: none"> • Food Preparation • Food Servery • Kitchen Portering <p>During their time on the programme trainees are given the opportunity to work in each area of the kitchen to determine their strengths and identify areas where they may require more support and training.</p>	<p>Placements are formally monitored on a regular basis this allows trainee and employer to iron out any difficulties but also to also increase the amount of duties. This allows the individual to build up skills and prepare them for paid employment.</p>
<p>During their time on the programme they will also be able to access training in the following areas:</p> <ul style="list-style-type: none"> • Essential food hygiene certificate, • Health & safety training & • Barrista coffee making. <p>All of which are delivered by NØW's training team and develop skills which make students more work ready.</p>	<p>Once the individual applies for employment and has been offered paid employment, NØW offer additional advice and guidance to individuals and their parents/carers regarding Social Security benefits. NØW offers a "better-off" calculation; this determines approximately how much a person is better off financially by going to work. NØW also offers advice and guidance to the employer regarding the employer incentive schemes that are available.</p>
<p>As each individual progresses through the programme we liaise closely with the employment team. Students access work placements at different stages of their training with the intention that once training finishes they will be able to access paid employment with the support of the Employment Team</p>	<p>Both parties are fully aware that employment is the end goal; therefore throughout the monitoring procedures this will be discussed. Once an individual enters employment of over 16hrs NØW does not provide support they would be considered to be an employee. NØW continue to track individuals once left the project</p>

People who engage with NOW

People with Learning Disabilities:

The participants are the most important stakeholder for NØW and as such are essentially involved in the design and delivery of its service. Although a user forum has been in existence since 2000 it has only really been in the last year of so that the project has developed a strong group of people with learning disabilities who meet regularly to discuss the issues facing them when they try to get a job.

As NØW develops as an organisation, more and more people with learning disabilities have accessed our services and have begun to really think about the possibility of moving into real work in their local community.

2004 saw the development of the Employment Service and the introduction of a Transition Programme which brings on board those young people in the process of planning their future after they leave school. They are a welcome addition to the organisation and their inclusion in NØW services means that it now works with people with learning disabilities between the ages of 14 – 65 years who are interested in some form of training or employment provision.

Parents and Carers:

NØW is a organisation which was started by local parents and carers who felt there were little if any opportunities in the area for people with learning disabilities. They make up the majority of the Board and are instrumental in the work carried out by NØW. It is also recognised that they are an important part of the equation when it comes to people moving into employment and as such are involved at each stage of the training and employment process.

Referral Agents:

NØW relies heavily on referrals from North and West Belfast Health and Social Services Trust. Referrals come mostly from the two Social Work Teams and 5 Day Care centres in the area however they are also welcomed from individuals themselves, parents/carers, schools and other community and statutory organisations.

Funders:

Funders are essential stakeholders in the work of NØW. From 2001 – 2004 NØW was funded by North and West Belfast Health and Social Services Trust and Belfast Regeneration office. Further detail on funding appears in a later section.

Others

Other stakeholders engage with NØW not least a dedicated team of staff as well as other governmental bodies. However it is clear that the key stakeholders in the project are the participants and their families, the latter are often closely engaged in the work of the project or their lives are impacted upon as a direct result of the work of the organisation.

Experiences of NØW Stakeholders

Participant Case Study: Student A

Student A was a trainee on the NØW Project for over three years and trained in the NØW Coffee Bar at the University of Ulster Art College whilst working towards essential catering qualifications.

During this time, achieved:

- ◆ NVQ Level 1 in Food Preparation and Service
- ◆ Essential Food Hygiene Certificate
- ◆ Barrista Coffee Training
- ◆ Health and Safety in the workplace
- ◆ Money Management Certificate (Levels 1 & 2)

Whilst undergoing training he built up practical catering experience in NØW's Coffee Bar/ training kitchen whilst learning the importance of time keeping, health and hygiene and developing good relationships in work. After a period of time in the kitchens he felt he was ready to think about work and began discussing his options with the Employment Team within NØW. Because he was quite nervous about the idea of moving into a very busy environment and was concerned that he would not be able to cope under pressure he was given the opportunity to sample several work placements with local employers. He enjoyed successful spells at Café Dali, The Hunting Lodge and at the Level 7 Catering Unit in the Royal Hospitals.

With the experience gained during the work sampling placements, especially in the Royal Hospital student A realised that he really enjoyed working in Coffee Bars within larger buildings. On completion of his training and with the support of the Employment Team he and his carer made the decision to pursue part-time paid employment and come off social security benefits.

He attended an open interview for the post of catering assistant through Mount Charles Catering Company. He was successful in his application and is now revelling in his new post at a Further Education College in Belfast.

The past five years have seen a dramatic change in his lifestyle. He has moved from attending a Day Centre five days per week to paid work of 25 hours but calls into the Day Centre every now and then to see his friends. Although no longer on the training with NØW he still plays a key role as Chairperson of the NØW Project's User Forum and is a role-model for all around him.

Participant Case Study – Student B

Student B has been a trainee on the NØW Project for over two years. He has trained in the NØW Coffee Bar at the University of Ulster Art College whilst working towards essential catering qualifications. To date he has already achieved:

- ◆ Essential Food And Hygiene Certificate – and is also working towards:
- ◆ NVQ 1 Catering
- ◆ NVQ Hair Dressing

Student B is currently working part-time in a Belfast Hotel as a Catering Assistant. Due to satisfactory performance he has been offered paid employment with this employer. He also works voluntary on a Friday in a nursing home. He plays a valuable role there assisting in the kitchen. Prior to this he also successfully completed a six week placement in Mark & Spencer where he worked in the restaurant as a Catering Assistant.

Student B hopes to complete his training in early 2005 and further pursue his career and his ambitions are supported by his family.

Parent Case Study:

Parent A is a retired primary school teacher from North Belfast. Her son (student B) has been training with the NØW Project for just over two years and she is overjoyed with his progress. She kindly offered to speak on behalf of the NØW parent network at the project's 'Risky Business' event day on Friday 21st January.

Parent A is very positive about her son's future and the role played by the NØW in supporting his development. He has come through the NØW training kitchens and is soon to complete his NVQ Level 1 in catering and hospitality.

Student B has also achieved his Essential Food Hygiene Certificate, an event that caused some furore in their house. She explained that the day following the news that he had passed he was waiting on the postman to deliver a letter of confirmation to him, in the same way that he has witnessed his own brother and sister receiving letters with GCSE, A-level results etc.

Parent A explained that her sons achievements have reached beyond the work sphere in that they have a reflection in his social life, making him feel more like any other member of his family and giving him accomplishments to be proud of.

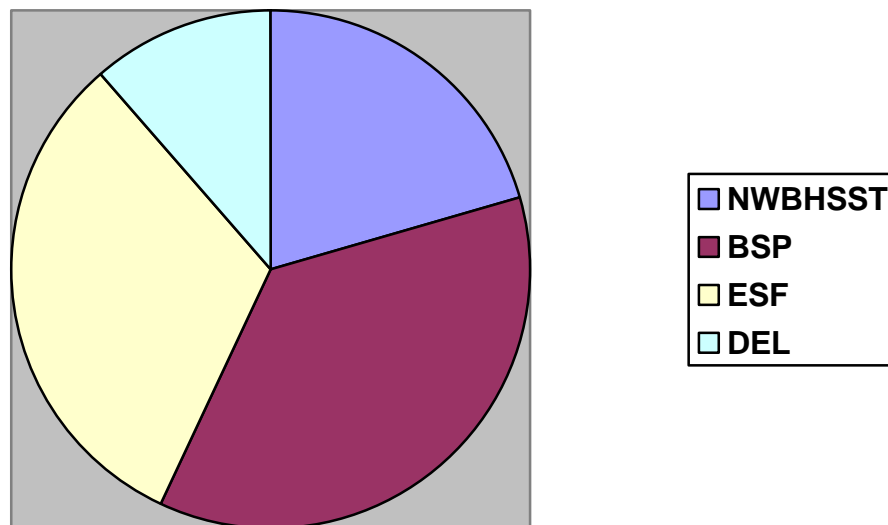
She is very supportive of his endeavour to move into paid employment and has no qualms about him moving off benefits. For her it is his overall happiness and sense of self-achievement that really count and, for her, it is imperative to have the support of an organisation like the NØW Project to help make this dream a reality.

NØW Funding

Funders are viewed as an essential stakeholder in the work of the organisation and the relationship that is developing reflects a partnership approach. Current active funding runs from 2001 – 2004. Previously NØW was funded by North and West Belfast Health and Social Services Trust and Belfast Regeneration office. In April 2004 this funding ended and NØW started a number of different programmes all funded in some way through Peace II or ESF Through Building Sustainable Prosperity with match funding from NWBHSST and the Department for Employment and Learning, both of which are Local Government Departments.

In order to calculate the financial inputs for this SROI (the investment) we have included costs associated with NØW's Catering Training Programme and the Employment Services Programme. When both these elements are put together the breakdown of funding is as follows:

Table 1 showing % Breakdown of funding for Programmes studied under SROI



Funder targets & NØW Performance

An examination of the work of NØW shows that it is an efficient project in meeting most targets and exceeding targets in the more difficult areas of employment. This aspect shows the exceptional work of the project. The particular client group worked with here presents significant challenges to the community as a whole, to themselves and their families and colleagues.

NØW is a project which adopts methodologies that include empowering people with learning disability to freely express their desire to be engaged in an equal opportunities initiative which it is hoped will allow them to develop life skills and abilities that will enable them to take a place among the ranks of employed people.

The following tables denote the performance of NØW in their core aims of training and employment support:

Table 2 showing Year 1 targets for NØW Training and Employment schemes (at 10 months)

	Predicted	Actual – End Jan 05
Target 1	40 training places per annum	38
Target 2	40 trainees undertake Basic Food Hygiene Certificate	17
Target 3	18 trainees undertake NVQ 1 in Hospitality and Catering	35 completed 20 additional
Target 4	10 Trainees to gain full accredited certificate	6
Target 5	8 trainees to gain unit accreditation	3
Target 6	40 trainees to undertake Barrista* Coffee Training	26
Target 7	12 trainees to gain silver Barrista certificate	2
Target 8	40 trainees to undertake skills assessments	26

* recognised Industry standard

	Predicted	Actual – End Jan 05
Target 1	To provide support to 40 adults with learning disabilities towards employment	48
Target 2	2 trainees gain full time employment (16 hours plus)	4
Target 3	4 trainees gain part time employment (Less than 16hours)	8
Target 4	6 trainees exit into registered voluntary work	6
Target 5	8 trainees exit into further education or other government schemes	4
Target 6	To support the remaining 20 enter work experience placements in their local community.	17
Target 7	Transition	9
Target 8	Vocational Profile / Job search	5

For the purpose of the demonstration SROI we will concentrate on these two Programmes delivered by NØW as they are the largest and account for the majority of work carried out by the organisation. As a relatively new organisation NØW has developed quickly – it is hoped the SROI will form the basis for the monitoring and evaluation of the work carried out to date and that which will take place in the future.

Social Return on Investment methods

Social return on Investment (SROI) analysis is a system of measuring the social impacts of the work of a project or organisation. It takes normal economic analysis further by placing a value on the social impacts of the work. Social impacts can refer to a range of outcomes and can include environmental as well as the direct social benefits that might be expressed by individuals or organisations.

For the purpose of this particular report we set out to look at the value of social benefits that accrued to the stakeholders of the NOW project. In the case of the NOW project it would be possible for example to place a value on the benefit to a participant who had found some part time work for the first time in their lives. SROI would place a monetary value on this work, not just in terms of the individual themselves but also in terms of the outcome for Government spending, value for the funder of the project, potential value creation for the employers who work with NOW and enjoy NOW support services for employees and perhaps a range of other benefits that could create value – perhaps for the family of the participant. This value is often projected over a period of years into the future to demonstrate the value creation of the original activity.

Later in this report we set out clearly the considered benefits or perhaps even disadvantages in monetary terms that accrued to NOW stakeholders as a result of their involvement in the project (Stakeholders here is used in the sense of all stakeholders of the project including central and local government bodies and funders). This could be expressed in terms of benefits money saved by the Government through the involvement of a NOW participant in part time work, resources saved by the local Health Trust through the involvement of a NOW participant in employment or training or perhaps an increase in family income as a result of a carer being enabled to spend more time earning because their dependent is engaged in additional other regular activity.

In this case SROI would measure not just the cost of the project (the pure economic aspect) but the value created over a period of time by the project (the social impact expressed in monetary terms).

SROI is a new method evolving in the UK and Ireland. It was first developed by the Roberts Enterprise Development Fund in the San Francisco Bay area around 1996 and has continued to be applied successfully to the enterprise sector initially but recently also the other sectors in the USA including the private sector.

The method has been adapted for use in Europe over the last year. Notably in 2003 a group of workers from European Countries (interested and active in work developing the social economy) got together to discuss the application of the method initially to the Voluntary Sector. A European network was formed. This coincided with the development of pilot work on the method undertaken by The New Economics Foundation (NEF) which was the first work undertaken in the UK and representatives of NEF joined the European SROI Network (ESROIN).

The Belfast based work – the first SROI work in Ireland – has been funded by Belfast Local Strategy Partnership. They engaged the services of Lodestar (The Ireland ESROIN representative) to undertake an SROI training project for four BLSP groups representing diverse activity and each delivering services to people with diverse needs in the community.

The training involved intensive input on the methodology, followed by a stage of mentoring within the four projects. Finally, work was undertaken in detail with two of the groups to test the application and applicability of the method and this report is the first of two which sets out a demonstration of how the method can be applied.

The method adopted for this SROI analysis is based on the Global Framework that is emerging for this new approach to the measurement of value.

The global framework developed between ESROIN and USA colleagues has in turn been influenced strongly by the work of NEF. The approach outlined below is favoured because through Stakeholder analysis and Impact Mapping there are opportunities available to the organisation not just to determine the social value of the work they do but also to inform Policy (Vision, Mission, Strategy & Performance) from the determination of value.

The first step in the NØW SROI work was to look carefully at the stakeholders of the project. The determination of value has to be viewed in terms of a range of stakeholder objectives. Value can be seen then as the monetisation of the benefits that a range of people involved with the project derive from it.

The process of setting indicators for benefits, then placing a value on the benefits and carrying out financial analysis of the results is as follows:

Table 3 SROI process used

<p>Producing a stakeholder analysis for the organisation</p>	<p>This would be ideally based on rigorous survey of all the stakeholders of NØW (this aspect was simulated because of the constraints of time & resources of a demonstration project)</p> <p>Determining from this the main objectives for each stakeholder's involvement with the organisation.</p> <p>Selecting from the list of objectives those which are core to the aims of the organisation and which the SROI analysis will seek to find indicators for.</p>
<p>Defining the boundaries for the SROI analysis.</p>	<p>Organisations are often multi-faceted and it was therefore important that clear lines are set for the SROI analysis. Do we do the whole organisation or aspects of the work – say a particular project?</p> <p>For this work we chose two clear aspects of the work –</p> <ul style="list-style-type: none"> ◆ Employment Support ◆ Industry Based Training (Catering) <p>Clearly define the activities and therefore the likely data that will be needed.</p>
<p>Creating a stakeholder analysis</p>	<p>The development of the stakeholder analysis into a visual map created the basis of developing indicators for the SROI analysis</p> <p>Building towards deciding the impacts of the organisation by clearly defining the outcomes that the main stakeholders are seeking.</p> <p>Developing this into a table demonstrating the inputs required, the outputs that result, outcomes from the work and the impact of the work. Therefore the SROI snapshot is determined through an analysis of:</p> <ul style="list-style-type: none"> ◆ Inputs – resources used in running the activity ◆ Outputs – the direct product of the activity ◆ Outcomes – resulting changes for stakeholders ◆ Impact – The outcomes for stakeholders adjusted to allow for what would have happened without the particular activity
<p>Impact mapping</p>	<p>Based on the stakeholder map, the next step was to develop indicators – in particular for demonstrating whether or not outputs have been achieved and what their Impact is – this is where we made decisions on what data we would need in order to place a value on the various impacts of the projects under analysis</p>
<p>Collect data, analyse & report</p>	<ul style="list-style-type: none"> ◆ The collection of the information ◆ Creating the SROI model using traditional financial analytical tools & explaining the values placed on the indicators as well as other important information relevant to outcomes for stakeholders ◆ Reporting the results

NØW Project Stakeholder Map

The table below lays out all stakeholders – those people or groups of people who are instrumental in shaping the work that we do and are in some way involved with our organisation. We acknowledge that although this includes the majority of stakeholders it is not totally inclusive. However for the sake of this SROI those detailed below are seen to be those stakeholders with the closest relationship with NØW.

In a full SROI there would be a comprehensive stakeholder survey. The aim would be to clearly establish the objectives of each interest group by asking them about their objectives directly. For the purpose of this demonstration we relied on a management view of the objectives of stakeholders except in the case of employers and the Parents & Carers group. In the case of these we conducted mini surveys (usually in a phone discussion).

Table 4 Stakeholder Objectives

Stakeholder	Description	Overarching Goals	Objectives
Participants	Unemployed people listed as having severe learning disabilities	<ul style="list-style-type: none"> • Gain training and accredited qualification • Get a job and keep it 	<ul style="list-style-type: none"> • Get a sustainable job
Funders	ESF Peace II North and West BHSST Dept for Employment and Learning	<ul style="list-style-type: none"> • Reduce local deprivation • Reduce local unemployment rates • Improve local economy • Reduce no of people in full time day-care • Encourage skill development for Hospitality and Tourism sector 	<ul style="list-style-type: none"> • Get people with learning disabilities into sustainable jobs • Get people with learning disabilities accredited qualifications • Establish network of multi-agency partnerships
Local Government	Social Services Individuals with learning disabilities Parents and Carers Schools	<ul style="list-style-type: none"> • Increase opportunities for people with learning disabilities • Offer services other than traditional Day-care • Ensure equality of opportunity 	<ul style="list-style-type: none"> • Get people with learning disabilities into paid work • Increase number of people with learning disabilities gaining qualifications

Stakeholder	Description	Overarching Goals	Objectives
Government	Health and Social Services Department for Employment and Learning Targeting Initiatives	<ul style="list-style-type: none"> • Reduce unemployment rates • Reduce local deprivation • Improve local economy • Increase number of people with disabilities in employment • Increase no of people with disabilities with qualifications • Reduce reliance on social security benefits • Increase tax contribution 	<ul style="list-style-type: none"> • Get people into paid jobs • Increase work opportunities for disabled people • Reduce welfare benefits • Increase qualifications
Parents and carers	Parents of people with learning disabilities accessing NØW 's services	<ul style="list-style-type: none"> • Increase range of day time opportunities • Ensure equality of opportunity • Increase child's qualifications 	<ul style="list-style-type: none"> • Get people into paid jobs • Get more people qualifications
Management Committee	Voluntary members of Board	<ul style="list-style-type: none"> • Developing opportunities for local people with learning disabilities • Giving back to local community 	<ul style="list-style-type: none"> • Representatives on Board • Group representative of the local community • Governance & accountability for outcomes
Staff	Paid Staff of NØW Project Volunteers	<ul style="list-style-type: none"> • Employment • Wage 	<ul style="list-style-type: none"> • Staff employment • Meet funding targets • Fulfil aims and objectives of organisation

Boundaries for this analysis

The NØW project carries out a wide range of work with participants and families. The range includes direct support through to advocacy and representation. The range also covers diverse areas such as job seeking/Job keeping through to individual personal development work.

This demonstration project at this stage does not (could not) set out to capture measurements of all that NØW does. Elements of important achievement in the life of an individual cannot always be measured and there is much in this area that relates to the improvement of lifestyle, personal confidence, personal coping abilities etc that NØW is helping individuals achieve that cannot be included in this demonstration project because of time constraints or because a mechanism to measure that aspect is not robust and therefore not reliable enough to be included. SROI aims to take account of material impacts and so non-material impacts are not included. However, SROI while taking a snapshot of activity over a defined period of time does not stop there. The measurement of the creation of value – projected into the future, in this case over five years – is an ongoing process and the results outlined for this particular SROI evaluation can be monitored, checked and adjusted over the given timeframe as the project progresses. It may very well be that some impacts not measured in this demonstrator could become material impacts over this time period and so would need to be included at a future stage.

The areas chosen for this SROI are the Employment and Training projects – “Employ” and “Enable”. Although these schemes run in close relation to one another and there can be progression between them, one is essentially an Employment Support project and the other deals purely with training. The process of progression through these projects for participants has been outlined in an earlier section.

Essentially this SROI is focussed on the progress of 22 NØW participants – 10 undertaking Industry specific training in the catering field and 12 people who have moved into part time paid work as a result of the work of NØW.

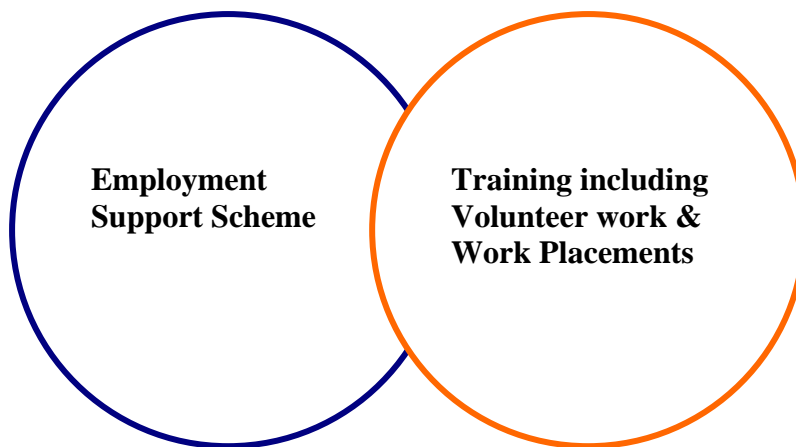
Data is derived mainly from NØW records and the extent of information that is accessible is down to the detailed monitoring systems that exist within the project and particularly as a result of the work of the Employment team.

The SROI is based on actual information on the 22 participants from April 2004 to the end of January 2005 (a period of ten months)

It is perhaps worth noting that there are 80 participants in total with the project on the various schemes. There are 40 in each of the two main sections of the work. Currently 20 people overlap and are involved in both the sections so the number of people considered to be the body of participants is 60.

The remaining participants not tracked in this SROI will be engaged in a range of activities that are part of the ongoing NØW programme and will include personal development activities, other training courses, volunteering work in the local community and job placements (unpaid work experience) None of these activities are included in the measurement of value in this SROI.

The two elements of NØW included in SROI:



Outcomes sought by NØW stakeholders

The outcomes sought by stakeholders are the key driver of SROI. The next stage of the work was informed by the Impact Mapping process described earlier. In it, we determine closely the outcomes that will be included for testing in the SROI. This is once again mapped for all the stakeholders in the project but for the sake of brevity here the main outcomes and their indicators are related to the circles above – the two main areas under focus.

We included the following:

Table 5 Stakeholder Outputs and expected Outcomes

Stakeholder	Output	Outcome
Participants	People brought to employability People getting accredited training	<ul style="list-style-type: none"> • Jobs
Local Employers	Reliable recruitment process Potential staff already trained	<ul style="list-style-type: none"> • Job opportunities filled • Trained people on job uptake • Savings on recruitment through NØW • Reduced costs with staff arriving Industry Trained • Increased business from families • Value of increased sales
	Trained people	<ul style="list-style-type: none"> • Entrants to employment, other training or other programmes
Government	Training & employment opportunities for people with learning disability	<ul style="list-style-type: none"> • Jobs • Trained people • Reduced benefits spending
Local Government	Training & employment opportunities for people with learning disability	<ul style="list-style-type: none"> • Jobs • Trained people • Alternative support needs • Reduced support costs
Parents & Carers	Increase in family member's qualifications. Increase in family member's employability	<ul style="list-style-type: none"> • Jobs • Trained people • Increase in personal time available for other family activity or for earning

Comparison with Table 4 will show that there are a number of outcomes sought that we did not include in this SROI. We did not set indicators and seek indicator values for the outcomes of funders, the management committee and staff – again because of the limited scope of this particular exercise. A full SROI might well conduct research into the outcomes required by these groups.

An interesting aspect was thrown up however by an examination of the outcomes for Parents & Carers. One hypothesis behind the questions asked was that through the work of NØW, it was possible that if their family members were engaged more time in the week in training & work activities this might have a positive impact on the lives of parents & carers.

It may perhaps even lead to the freeing of time that would give rise to economic opportunities for this group – for example through more time for part time work. It was interesting to note that in every case questioned, the family member concerned did not report any increase in the quality of their lives and in fact all reported that the training or work opportunity taken up by the member of the family with learning disability actually took up more family time – usually because this meant an increased time commitment for travel and other domestic management issues. There are a few issues to be drawn from this in relation to the SROI analysis:

This is a key learning issue for NØW because there is clearly a need to support families when a participant takes up employment or employment training.

Perhaps there is a negative effect in value creation for the family in some of these cases (there is additional cost incurred for the family of a NØW participant who takes up work). SROI would normally take this into account as well – we did not in this case as there was no quick way to measure this.

Indicators

Table 6 Indicators used to signify Outcomes

Stakeholder	Output	Indicators
Participants	No of People brought to employability	<ul style="list-style-type: none"> • No. of jobs gained and sustained • Financial benefits gained
	No of Trained people	<ul style="list-style-type: none"> • Entrants to employment, other training or other programmes
Government	No of Training & employment opportunities for people with learning disability	<ul style="list-style-type: none"> • No of Jobs • No of Trained people • Value of reduced benefits spending
Local Government	No of Training & employment opportunities for people with learning disability	<ul style="list-style-type: none"> • Day Care places vacated • No of Trained people • Value of Reduced support costs
Employers	Reliable recruitment process Potential staff already trained	<ul style="list-style-type: none"> • No of Job opportunities filled • Savings on recruitment through NØW • Reduced costs with staff arriving Industry Trained • Reduced staff turnover?

A fuller Impact table or map may lead to a number of possible further indicators than those included here. For example, an extension to the Local Government outputs may well have been in relation to NØW's Catering service in the scenario in which service provision to the Health Trust may have been an economic advantage to both. Such advantage of an internal market would allow the Health Trust to re-invest in ethical services employing the target group.

We also did not track the impact of the people trained in terms of the effect of the training on their moving on to other training or gaining employment outside and beyond the influence of the project. The only impact assigned to NØW participants in training was in relation to the effect on support costs had they remained in Day Care. A fuller SROI would track the impact of training on the gaining of further training or employment.

The following were the areas in terms of indicators that could be measured that this SROI analysis concentrated on:

- ◆ The benefits to NØW participants employed as a result of progress through the employment support programme.
- ◆ The benefits to central Government in terms of support cost savings (Welfare payments) or contributions from more employed people through Income Tax.
- ◆ Savings to the local Health Trust through the provision of alternatives to Day Care for the participant group. (both training & employment)
- ◆ Benefits to employers working with NØW in terms of savings on recruitment costs and training.
- ◆ Increased business to employers as a result of interaction with employees family

The SROI analysis also makes adjustments for Deadweight, Fall Off and Additionality. Deadweight is a numerical adjustment to the value claimed for outcomes that would have been satisfied without the intervention of NØW. E.g. a number of people may have gained employment without the support of NØW.

Fall Off accounts for necessary adjustments to the value claimed for an outcome in the case that people may have not sustained their jobs over the period of the SROI analysis (in this case five years).

Additionality is where a number of agencies may have a hand in achieving the given outcome. An example might be that two agencies played a part in the achievement of an industry standard qualification obtained by an individual – in this case the value claimed by NØW for this would be reduced to the percentage of its input.

In this SROI, assumptions of Deadweight and Fall-Off have been included.

The impact of Additionality is assumed to be negligible because of the very special requirements of the participants of NØW and the fact that NØW is the key provider for a considerably large geographical area.

The following table shows the assumptions included for Deadweight & Fall Off in the final SROI analysis.

Table 7 Deadweight & Fall-Off

Indicator	Value	Assumption
People with learning disability who may have achieved work without NØW	10%	There is strong anecdotal evidence that none of the participants would have achieved employment without specialist support. Nationally some 10% of disabled people (all disabilities) gain employment themselves – this amount has been included for prudence
Employment Fall Off	10%	In the course of the last year 100% of participants have consistently held down their jobs. Again this amount is included for prudence in the event of a drop out
Day care savings	10%	Amount of day care savings that may have resulted without the influence of NØW , perhaps because of other training provision not provided by NØW – this amount is small because there is only one other provider and they don't provide specific employment support or specialised Industry specific training.
Recruitment savings as a result of employers using NØW	20%	This is the estimated percentage of savings gained by employers as a result of other staff recruitment that does not involve a cost e.g. word of mouth & positions advertised on site.
NØW employees arriving trained	10%	Estimated percentage of other employees arriving at start of job with full required qualification
Increased employer business	20%	Accounting for increased business that may result from the family members of other staff

In addition to the above, other assumptions are included in the analysis as follows:

Assumptions for value creation – Years 2-5

Item	Value	Assumption
Earnings increases	2%	Based on target inflation rate for next six months of 3.5% and allowing lag factor for increases
Gov. Benefits increases	2%	Based on target inflation rate for next six months of 3.5% and allowing lag factor for increases
Costs increases	3.5%	Based on National Statistics Office quoted inflation target for next six months (Jan 2005)

Data Collection

There were three methods involved in gathering the information for the above. Firstly and most importantly there was access to data through NØW and their own extensive information monitoring systems. This provided the necessary information on individuals tracking the progress of the target group over the course of the past year.

Additional information was sought through two specific questionnaires – one for employers and one for participant family members. In the case of the latter we were interested in the impact of the work of NØW in the lives of the participants and also for the lives of carers.

The questionnaire for employers sought information on costs of recruitment & training costs relating to employees. Staff turnover information was also sought to measure the impact of their relationship with NØW which can on occasions act as a type of recruitment agency for the employers.

Additional information was provided by the staff of the Healthcare Trust in relation to costings.

The questionnaires were conducted with people in a specific timeframe which was notified in advance. The vast majority were filled out on the basis of a telephone interview; in the case of employers the interview was conducted by NØW members of staff who were already well known to employers. In the case of parents/carers prior permission was gained for contact to be made with them.

The nature of SROI is such that a number of assumptions are made in the assigning of values to the range of indicators. This is more so in a demonstration project which is intended to be indicative rather than wholly empirical. For robustness the assumptions made in this report are clearly set out in the table below:

Participants

Indicator	Value	Data Source
No. of employees	12	NØW records - participants currently in paid work
Standard working week	35 Hrs	NØw average work placement working week
Average pay per hour	£5/ Hr	Based on participant records – Average pay
Average % of week spent working	31%	NØw employment records – this is the average number of hours worked expressed as a percentage of the working week
Average % income paid out in tax (N)	5%	Only small element crosses threshold for tax and this amount has been included for indicative purposes
Average benefits payment per week	£136	NØw statistics – excludes DLA*
Average % of benefits lost through work	29%	NØw statistics** based on individual records

Local government

Indicator	Value	Data Source
Operational week in day care	35 hours	Health Trust operations
Space vacated by NØw attendance -employment	29%	NØw records of activity - expressed as a percentage of the operational week
Day care cost per hour	£7.14	Based on Health Trust estimates
Space vacated by NØw attendance -training	20%	NØw records - - expressed as a percentage of the operational week

Employers

Indicator	Value	Data Source
cost of recruitment	£366/person	Survey
cost of training – staff in house	£440/person	Survey
average weekly turnover increase***	£15	Survey

(N) National Insurance calculations were not included in the demonstration project

* this benefit was excluded from the analysis because it continues regardless of circumstance – it is a non means tested benefit

** also shown in SROI as increasing benefit to government

*** through new business from new customers (employees family)

Initial SROI results

Participants

The analysis concludes that participants were substantially better off undertaking the part time work they were able to acquire than before in the period of their lives when work was not an option open to them. This benefit is expressed both in quantitative and qualitative terms. Participants recently in a public forum expressed excitement & pride at being accepted into the world of employment and although some of them feared the loss of benefits all of them reported that they wanted to continue to develop their employment experience.

In material terms, the participants working are materially at an advantage also. The following table shows the material benefits:

Participants Employed	
Average NØW Individual benefit	£
Increased weekly earning	88.25
Tax lost to Gov.	2.71
Benefits lost	39.44
Net weekly better off	46.10
Annual better off	2397.07

The increased weekly earning includes Tax credit as this is a payment that is linked to employment status. With loss in benefit taken out the average NØW participant is £46.10 per week better off. This represents an annual material increase of £2398 per person.

Parents and carers also maintain a firm view that employment possibility has helped the individual and also the cohesion of the family. The latter relates to aspirations that were frustrated in times before when non-access to further education, training and work outlets led to feelings of inadequacy for individuals. The parent /carer survey uncovered clear expressions that participants felt more empowered, were seen as more independent and mature by family members and were motivated by the work opportunity.

Government

Not only is the above very encouraging in matters relating to equality of opportunity for disabled people but it is also positive for the community not least in financial terms.

Our analysis showed that the Government purse also increased as a result of this group of learning disabled people being in employment. Although the main benefit accruing to Government was largely off-set by the increase in Tax Credit payments, nevertheless there were also savings to the public purse:

Government		
Average saving per NØW Individual	£	£
Weekly benefit save	39.44	
Annual save		2050.88
Tax Credit Weekly loss	34.00	
Tax credit Annual Loss		1768
Income tax Weekly increase	2.71	
Annual Income tax increase		141
Totals – Weekly and Annual	8.15	423.88

The above table overall shows a modest increase to the public purse as a result of the employment of the NØW participants.

Local Government

However the savings to Government change dramatically when we focus on the resources saved by Local Government bodies, in this case the Healthcare Trust which is also a direct funder of the project.

The savings to the public purse are substantial, in this case where Day Care places are vacated as a result of participants employed and on NØW training:

Local Government	
Day care Savings	£
Saving as result of	
NØW employment work	
One person / week (for part week only)	72.47
Annual	3768.49
x No. of NØW employees	45221.88
Saving as result of	
NØW training work	
One person / week (for part week only)	49.98
Annual	2598.96
x No. of NØW trainees	25989.60
Projected total day care savings in Year 1	£71211.48

This amounts to an annual savings total per person of £3768 and £2599 for participants in employment and training respectively.

Some care has to be taken here because we must be sure that this saving is tangible. For example staff costs in the day centre will continue to be the same if only a small proportion of places are vacated. However it is also the case that the place vacated can be taken up by someone else. The value that accrues in this case is indeed the full cost of the vacated space which is newly taken up. Our SROI assumption in this case is that all the places vacated can be filled by the healthcare authority. We have however at a later stage in the report included a sensitivity analysis for this objective to allow us to view the effect of reduced savings.

Employers

Our indicators also tested for benefits to employers who are in an ongoing relationship with the NØW project. Employers report quite high levels of staff turnover ranging from 10% to 80% of those surveyed. This is indicative of the catering field in general but it is possible that the resulting loss of resources and ultimately turnover can be minimised if there is a steady flow of industry ready potential employees coming from the NØW stable.

Taking an average staff turnover rate of 30% of those employers surveyed, an average reported cost per employer of recruiting staff (same survey) of £366, some determination can be made of savings available to employers who are essentially using the project as a recruiting agency. This can also be added to savings that accrue to employers because they are not spending resources on training staff – NØW recruits arrive with an employer ready trained.

For simplicity for our SROI analysis we assumed that this saving could accrue to employers each year but in reality it is less likely to be a benefit in every year.

Another interesting area picked up by the SROI was the notion that employers could possibly benefit from increased business from members of the family of a new member of staff recruited from NØW. This came from one employer in particular who reported that a considerable number of family members paid a visit to the café where their family member worked and spent money in the process. This led us to include a question in the employer survey and a number of employers estimated some increase in business attributable to this factor.

The material benefits accruing to employers in this SROI analysis are by nature smaller than those to the public purse. Nevertheless we estimated an annual sum of £4753.98 of value creation that came to the group of NØW employers surveyed.

SROI Results

SROI will predict the value of these activities for a period into the future. Five years has been chosen as a period over which it is considered reasonable to assume that benefits created by the organisation – ten years we consider a period too long to claim benefits attributable to the work of NØW

However SROI does require that the end value predicted over the five year period is adjusted for other events – e.g. for successes that say participants would have achieved anyway without the services of NØW. This is known as “Deadweight” in accounting terms and an element of value has been subtracted from the end value to account for this element.

Another element accounted for here is Fall-Off. This represents the element where people may not continue their employment or training programme over the whole period.

The assumptions factored in to the analysis for Deadweight – what would have happened anyway – and Fall Off are those already detailed in Table 7

SROI table

NØW Employment & Training	Year 1	Year 2	Year 3	Year 4	Year 5
Participant benefits (Annual)	£	£	£	£	£
Wages	2821.00	2877.42	2934.97	2993.67	3053.54
Tax Credit	1768.00	1803.36	1839.43	1876.22	1913.74
Less Income Tax paid	141.05	143.87	146.75	149.68	152.68
Less benefits lost	2050.88	2091.90	2133.74	2176.41	2219.94
Net benefit per participant	2397.07	2445.01	2493.91	2543.79	2594.67
Net benefit x 12 employees	28764.84	29340.14	29926.94	30525.48	31135.99
Government					
(Annual Per NØW Individual)					
Tax Credit paid out	1768.00	1803.36	1839.43	1876.22	1913.74
Benefits saved	2050.88	2091.90	2133.74	2176.41	2219.94
Income Tax gained	141.05	143.87	146.75	149.68	152.68
Net benefit to Government	423.93	432.41	441.06	449.88	458.88
Net benefit x 12 employees	5087.16	5188.90	5292.68	5398.53	5506.51
Local Government					
(Annual Per NØW Individual)					
Day care savings (employment)	3768.49	3862.70	3959.27	4058.25	4159.71
Day care savings (training)	2598.96	2663.93	2730.53	2798.80	2868.77
<i>Net benefit x 12 employees</i>	<i>45221.88</i>	<i>46352.43</i>	<i>47511.24</i>	<i>48699.02</i>	<i>49916.49</i>
<i>Net benefit x 10 trainees</i>	<i>25989.60</i>	<i>26639.34</i>	<i>27305.32</i>	<i>27987.96</i>	<i>28687.66</i>
Net Local Gov. benefit	71211.48	72991.77	74816.56	76686.98	78604.15
Employers					
Annual saving in recruitment costs	559.98	559.98	559.98	559.98	559.98
Annual saving/ Industry Training	2244.00	2244.00	2244.00	2244.00	2244.00
Annual increase in business (Employee family x No. of employees)	1950.00	1950.00	1950.00	1950.00	1950.00
Net employer benefit	4753.98	4753.98	4753.98	4753.98	4753.98
Total value of benefits	109817.46	112274.79	114790.16	117364.97	120000.62
Estimated Deadweight & Fall Off	13600.49	13894.71	14194.34	14501.21	14815.00
Total Net benefits	96216.97	98380.08	100595.8	102863.8	105185.6

Results

The key result of this SROI demonstration project is that NØW returns considerable value back to the local and regional economy as a consequence of its work. This is based on the assumptions listed above. In order to reach an SROI ratio we have to calculate the costs of the project. The costs have been allocated according to the numbers of participants included in the survey as a comparison of the total cost for all participants. The costs in this case total £107,708.

The following is the Net Present Value of the Total Net Benefits created by NØW over the 5 year projection period:

	YR1	YR2	YR3	YR4	YR5	Total
Total Net benefits	96216.97	98380.08	100595.82	102863.76	105185.62	503242
NPV	91635.21	89233.64	86898.45	84626.27	82415.69	434809

The NPV is arrived at by discounting the value of the Total Benefits over the period. This is to take account of the fact that the real value of the benefits will be less in future years and is discounted by a set amount which is itself derived from a number of financial risk factors. In this case we have used 5% as the discount rate. This amount can vary according to the sector of work involved from 3.5% - (Government Green Book guidance for project funding) to 10 or 15% if the value was being considered in a more commercial context. We have used sensitivity analysis to demonstrate the impact of using higher discount rates.

The End Value created by NØW is therefore £434,809 after 5 years for an initial investment of £107,708.

The added value of the project – the value created less the cost of creating that value is £327,101

The NPV ratio is arrived at by calculating the gains, subtracting the costs and dividing the result by the costs.

This provides a ratio of 1: 3.04. That is to say that for each pound invested in the NØW project for the 22 people who have been included in this research, NØW returns an amount of £3.04.

Another way to view SROI is by calculating the payback period in order to determine how long it would take for the original investment in the project to be returned to the community in value created.

In this case the payback period is 1.2 Years. In accounting convention such a payback period would be considered an attractive investment.

Initial Investment	End Value	Value added	NPV ratio	Payback period
£107708	£434809	£327101	1:3.04	1.2 years

Sensitivity

This is used to test assumptions and to see the changes in SROI if a range of values are used.

We have chosen the following main areas for sensitivity analysis in order to track any major changes in SREOI values:

- ◆ The discount rate used for arriving at NPV
- ◆ The % of participant's time spent in work
- ◆ The costs associated with Day Care
- ◆ Deadweight factors

The discount factor has been discussed above. Changes in this percentage would influence the NPV ratio in the following ways:

Item	Base assumption	New assumption	SROI
Discount rate	5%		3.04
		10%	2.53
		15%	2.11

A major focus of this SROI is on participants gaining some paid work. We have taken the average hours worked each week and calculated these as a percentage of the working week taken as 35 Hrs each week. The average NØW participant works 31% of the working week. However for some families the participant will only work 5 or 6 hours per week. At a low percentage of paid work – say 10% of the working week would reduce the overall benefits to individuals that we have shown. However to balance this, our interviews with families demonstrated very clearly that financial gain was not the only way that people valued access to work. They valued it in terms of motivation, inclusion and being viewed by others as people having abilities and status. The value we use for this aspect is therefore more than we are able to monetise at this stage of the research. However, the following is the effect on SROI if fewer hours per week on average were worked by participants.

Item	Base assumption	New assumption	SROI
Percentage of week worked	31%		3.04
		10%	2.12
		60%	4.11

A considerable amount of the value created by this project relates to Day Care savings. The following results would accrue if we changed the assumptions to reflect the fact that savings may not always result from vacated places.

Item	Base assumption	New assumption	SROI
Day Care Savings	£7.14 per hour		3.04
		£5 per hour	2.23
		£2 per hour	1.09

Finally we have looked at deadweight and fall off assumptions and made variations in these to view the resultant changes. Earlier in the report we have assumed a figure of 10% in each case for both deadweight to account for people who may have found a job without the services of NØW and a Fall Off rate for sustained employment over the projected 5 year period. The following is the effect on SROI if these values are changed:

Item	Base assumption	New assumption	SROI
People with learning disability who may have achieved work without NØW	10%		3.04
		20%	2.92
		50%	2.56
		75%	2.26

Item	Base assumption	New assumption	SROI
People with learning disability who may not sustain job over SROI period	10%		3.04
		30%	2.80
		50%	2.56

Other benefits of NØW's work

Monitoring systems for employment programmes which target unemployed people, especially those with learning disabilities have traditionally focused on 'hard', quantitative outcomes such as the numbers going into jobs or the numbers gaining qualifications.

There is growing recognition, however, that such measures taken in isolation are inadequate in demonstrating the work which has gone on behind the scenes and the personal milestones reached by a person with a learning disability even before they start their job. In addition, these 'hard' measures of success do not give a complete picture of a client's increased employability and the distance they have travelled towards employment.

It is for example entirely feasible that Parents, Management Committee members & Staff in a full stakeholder survey would have underlined the importance of other measures of success. Such measures could in time be captured by a fuller SROI analysis.

A discussion with the director of the project was used to identify the other qualities of the work of NØW that might be considered as very important.

These were found to include aspects such as:

Key work skills, the acquisition of key skills, and language and communication skills,

Attitudinal skills, for example, increased levels of motivation, confidence and self-esteem,

Personal skills, including improvements in timekeeping, attendance or personal hygiene,

Practical skills, which may be indicated by the ability to complete forms or to manage money.

The above is supported by the evidence which came out in additional comments that parents & carers made in telephone interviews when they

were being asked a standard set of questions. The vast majority of those interviewed underlined the fact that while earning money was important in itself, the more important issue around earning money was the feeling that it gave people. Participants reported their joy at being viewed like everyone else. The feeling of being more motivated and more confident was evidenced by Carers. Increase in self esteem and confidence has been underlined by parents & carers both in the course of our mini interviews and more importantly in the recently held public forum in which NØW stakeholders held an open discussion with a range of invited guests on the issues around taking up paid work.

Implications of SROI methodology for NØW

SROI practitioners will often state that understanding of the impact of an organisation cannot be judged by a series of values without fully understanding the context in which those values are judged. In this case there is a positive NPV ratio and with adjustments for deadweight and sensitivity analysis it is clear that the work achieved by NØW on behalf of its stakeholders results in a very significant monetary return to the community. Viewed as an investment, the work of NØW is efficient and pays for itself in a relatively short period of time.

Beyond this there are key lessons for the organisation. NØW has already begun to modify its data gathering systems so that SROI analysis can be an ongoing process not just to monitor return on investment but also to inform policy & management practises. For example, the finding that families need to put more time into supporting their family member with learning disability to go to the workplace has policy implications for the project in terms of how it supports that need.

Further aspects that may bring about change in the future might include talking more closely to employers about the potential value of NØW services and monitoring such things as recruitment needs & costs through an extension of the existing relationship with NØW Employment support staff.

There are very real implications also in the near future for linking with key staff in the local Healthcare Trust. The development of services in preference to Day Care is influenced by the work of NØW. All of this makes NØW more than a local provider; the introduction of SROI at NØW could provide a number of agencies with additional tools for considering best practise and improvement in services to the learning disabled community.



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