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**RESPECT: a personal development programme for
young people at risk of social exclusion**

Option One: Social Return on Investment

Executive Summary

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November 2009

Statement of Assurance

This social return on investment analysis has been undertaken using the guidance produced by nef, the new economics foundation. The report has been submitted to an independent assurance assessment carried out by *The SROI Network*. The report shows a good understanding of the SROI process and complies with SROI principles. Assurance here does not include verification of stakeholder engagement, data and calculations; it is a principles-based assessment of the final report.

Executive Summary

Background

The RESPECT programme is governed by a partnership of organisations which work within the Cheshire Fire and Rescue Service area of Cheshire, Halton and Warrington. The programme brings together a number of elements of the Fire and Rescue Service's earlier work with youth engagement in a concerted attempt to tackle wider challenges pertinent to the fire services, whilst working in partnership with other agencies.

RESPECT, which was funded for three years from the Government's *Invest to Save* initiative, was a targeted intervention for young people aged 11 to 16 years and who were disaffected and/or displaying antisocial behaviour. The programme aimed to re-motivate young people who were temporarily or permanently excluded from school, in danger of exclusion, had a high level of unauthorised absence, were involved in antisocial behaviour and/or known to youth offending teams.

The RESPECT programme comprised a number of different elements. These were Option One led by fire service personnel; Option Two led by the Youth Federation; detached youth work, *On the Streets*, led by Halton Youth Service; and a school holiday project.

A three year evaluation was built into the RESPECT bid in order that the individual, community and societal benefits of the programme could be quantified and evidenced. This report is part of the impact evaluation. Its focus is to explore the societal benefits resulting from positive outcomes for young people who attended an Option One course between April 2007 and March 2008.

Risk, protection and resilience

The impact of the Option One course of the RESPECT programme can be seen within the context of risks and protective factors and the development of resilience. Young people exposed to certain risks were provided with an opportunity to become involved in constructive activities in a supportive environment. For some participants, the course appeared to have been a turning point which interrupted the flow of risks into negative or antisocial behaviours, and other participants began to develop skills and strategies which enabled them to build on their strengths and increase their level of resilience.

The Social Return on Investment analysis

Social Return on Investment (SROI) is an approach that has been developed from cost-benefit analysis, social accounting and social auditing. It is described as a process that can be used to understand, measure and report on the social, environmental and economic value that is being created by an organisation. The approach provided a framework which enabled the evaluators of the RESPECT programme to explore the range of outcomes occurring as a result of Option One courses and convert these outcomes, including those that are not easily measurable, into tangible monetary values. So, when viewed alongside the inputs, the benefits of Option One could be seen in terms of the 'return' not only for the course participants but also more generally, for the wider community or society.

The SROI analysis required the evaluators to:

- identify those who were most involved in Option One (the key stakeholders);
- describe what the stakeholders wanted to achieve as a result of their participation (their objectives);
- calculate the resources utilised by Option One (the inputs) and describe what it provided with those resources (the activities);
- show how this led to direct results (outputs) and longer term consequences (outcomes) – the theory of change;
- identify the outcomes that Option One can take credit for (impacts) and attach financial values to them (proxies) to calculate the social return.

The key material outcomes that were identified for the SROI analysis were young people's involvement in positive activities, improved relationships with parents/carers, the development of a more constructive attitude towards education and their future, improved behaviour at school and reduced participation in specific unsafe behaviours.

Using information contained within the RESPECT referral forms about the Option One participants' previous behaviour and the findings from primary research which revealed how the behaviour of participants had changed by the end of the course, these outcomes were then quantified.

For some of the outcomes there was no direct financial value and so a proxy had to be used. The financial proxies that were applied were the cost of the following:

- antisocial behaviour, offending and criminal convictions;
- counselling and intensive family support;
- being NEET (not in education, employment or training) on leaving school;
- fixed period and permanent exclusion from school;
- fire service attendance at small deliberate fires and hoax calls;
- insurance claims for young drivers.

The SROI analysis of Option One takes account of attribution and deadweight: drop-off was also considered. A discount rate of 3.5%, the social time preference rate recommended by HM Treasury, was also applied. Although SROI can be used to predict savings over a longer period of time, this analysis was confined to four years as, with an average age of 14 years for the young people allocated to the Option One course, this would calculate the return up to the time that they reached 18 years old. The value of some outcomes has been further restricted to one, two or three years. The decision to restrict the timeframe was in line with the conservative assumptions that were the foundation of this SROI analysis and as a result of limited information about the longer term impact of the programme for individual participants.

The total benefit of the Option One course over four years was as follows:

- the total financial input for this cohort, during 2007/08, was £254,341;
- a benefit of £951,400.30 has been calculated – that is £3.70 for every £1 that was invested or a ratio of 3.7:1;
- this means that the net benefit (or net present value) of Option One over four years would be £697,059.30.

The share of the value of Option One in the short term fell broadly into a four-way split. The bulk of the value was created by changes at school and aspirations for the future

(19%), taking part in positive, rather than negative activities (46%), and ceasing involvement in the targeted behaviours of fire setting, hoax calls and dangerous driving (42%), with a smaller portion, 2%, reflected in the improved relationships between parents/carers and their children.

An examination of the share of the value by stakeholders shows that, in the short term, the fire and rescue service and the police are the main beneficiaries (each with 34%), followed by young people and the community (each with 9%), schools (2%), and parents/carers and local government (1%).

A sensitivity analysis was conducted which illustrated the effect of reducing the value created by a number of the outcomes achieved by Option One of the RESPECT programme but with these changes, the social return on investment ratio remained at a minimum of £3.30 for every £1 that was spent in 2007/08.

Conclusion

The SROI analysis helped to tell the story of the changes that took place for stakeholders, particularly the young people who were involved in the project, and demonstrate the impact for the wider community. The analysis showed, even with conservative assumptions and without all possible outcomes being included, a considerable return on the investment made through the Option One course, which is for every £1 spent there is £3.70 in social value.

The analysis also illustrated that if a positive change could be achieved with a greater number of young people through an increase in the number of appropriate referrals and improved completion rates, the social value of the Option One course would be enhanced without an increase in costs. Increased support to enable young people to maintain changes and develop resilience after the course would have a limited cost but would be likely to increase social return through decreased drop-off for those who have previously been involved in offending or antisocial behaviour and prevention of social exclusion for young people at risk.

The process of undertaking the SROI investigation of Option One highlighted the potential value of a formative analysis being undertaken in the early stages of a programme. In addition to focussing the stakeholders on realistic objectives for the initiative, this method could ensure that all necessary data were being collected. A more extensive data set would also allow for longer term projections of the social

return, and the SROI analysis of other projects for young people at risk of social exclusion could provide benchmarks and a valuable point of comparison.

The perspective demanded by the SROI analysis of Option One highlights the reasons why the RESPECT programme was an ideal candidate for *Invest to Save* funding. The success of the programme is dependent upon local services working together to identify young people with appropriate needs and provide activities. The SROI analysis also illustrates that where Option One has resulted in positive outcomes for young people, the return is not only for the individual participant or agency making the referral but is widely distributed across a range of agencies and can continue over an indefinite length of time. In other words, investing in young people now has the potential to lead to wide-ranging savings in the future.