

Northumbria Coalition *against crime*

Odysseus Mentoring Project

A summary appraisal of
Social Return on Investment

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1 Executive summary

This Summary Appraisal of Social Return on Investment considers social value added of the Odysseus Mentoring Project of the Northumbria Coalition Against Crime as a monetised measure.

The Odysseus Mentoring Project works young people at risk of offending and their families. The Odysseus Mentoring Project employs three staff. During the year under review 25 mentors were in active relationships with young mentees and a further 12 mentors were enrolled in training.

Mentoring provides vital one to one support, forming a positive relationship with an adult. The case studies in Section 5.5 illustrate the value and impact of these relationships for the young people.

This report draws upon the techniques and disciplines of Social Return on Investment to identify the potential areas of social value added of the project, and appropriate financial proxies through which to give them a monetised value. The most material of these financial proxies is that relating to the social cost of young people who are NEET (based upon research undertaken for the Audit Commission by York University).

Since the young people referred to the Mentoring Project are engaged with other support agencies, the validity of this report's findings depends upon making appropriate attribution assumptions. For this reason, Section 9 offers a sensitivity analysis to illustrate how changes in those assumptions would affect the calculated social return.

The report estimates the social value added of the Northern Rock Foundation grant in 2010/11 (taking into account the added value of other funds levered in to increase the impact of the project). This social return is estimated at 788% (ie £7.88 of additional value generated for every £1 of grant spent).

The social return of the project as a whole is estimated at 397% (ie £3.97 of social value generated for every £1 invested in the project).

2.1 The Odysseus Mentoring Project

The Northumbria Coalition Against Crime (registered charity number 702756 – ‘the Coalition’) has recently celebrated its 21st birthday. It was established as a partnership between business, community, voluntary and statutory sectors, with a mission to reduce crime, anti-social and unacceptable behaviour in the North East.

The Coalition’s Youth & Community Programmes work mainly with disadvantaged children, young people and families, particularly those who are at risk of offending or re-offending. Many of these children/young people come from communities deemed to be disadvantaged and have to deal with difficult family or social situations. In 1998 the Coalition developed the Odysseus Mentoring Project (OMP) to work with young people at risk of offending.

The Youth and Community Programme Team comprises a staff team of three – a manager and two part time volunteer co-ordinators. The team is supported by a pool of some 40 volunteers (mostly volunteer mentors).

Mentoring provides vital one to one support, forming a positive relationship with an adult. The children/young people who are referred to OMP often have contact with a number of professionals - each having a set role and agenda. A volunteer mentor is there to focus solely on the young person.

2.2 The Call for this Report

Philip Angier has been a volunteer mentor with OMP since 2001. He is also an experienced social accounting practitioner who has been trained in the use of SROI and in other techniques for measuring and reporting social value added. Recent research has found that relatively low cost interventions amongst young people at risk of offending can produce major public finance savings, and that the loss of such programmes will often result in very significant rises in public expenditure.

In discussion with Heather Armstrong, OMP’s Project Manager, the opportunity was identified to articulate more clearly to the project’s funders and supporters the social value of the OMP.

Philip Angier agreed to research and to prepare this report on a ‘pro bono’ basis with support from a research associate, Dr Arthur Affleck.

2.3 Social Return on Investment & the scope of this report

The principles of Social Return on Investment (SROI)¹ are to seek for each measurable social or environmental outcome a financial proxy (a measurement of the opportunity cost or benefit to society of that outcome).

An SROI ratio is a monetised measure of the social value created compared with the investment required to achieve that impact. It aims to extend the financial concept of return on investment to embrace social, economic and environmental value created. Whilst it is accepted that there can be pitfalls with such an approach both the public sector and Third Sector Trusts and Foundations have shown growing interest in the use of SROI as a means of measuring social value.

To prepare a fully researched SROI study is beyond the scope and resources of this pro bono study. The report is therefore described as a 'Summary Appraisal of Social Return on Investment'. It employs the techniques and method of SROI and, where appropriate, narrative evidence, to illustrate the social return delivered by the OMP in the sample year June 2010 – May 2011.

2.3 Social Return on Investment vs Efficiency

This report seeks to offer an account of the social value added of the OMP in relation to the inputs (grants and donations) used to purchase OMP's interventions.

It is not a measure of OMP's efficiency – eg could the same resources be used in another way to achieve even more impact? Is mentoring the most cost-effective way to reduce the risk of offending amongst young people? Are the staff to mentee and mentor ratios the right ones?

These questions may be proper ones to ask in the context of any strategic review of the project, but are outside the scope of this report.

¹ A guide to Social Return on Investment is available from www.thesroinetwork.org

3 Method

This SROI methodology has gradually achieved recognition within crime prevention organisations across the globe. In Canada, the Calgary Youth Committee Program enlisted volunteers to help young offenders re-evaluate their lives and avoid further crime and used SROI to prove the value of this intervention.² In Scotland, the KibbleWorks organisation has used a mentoring model to get young people back into education, employment or training. By using SROI the organisation predicted significant financial/social returns after three years.³ In recent research commissioned by the Audit Commission, York University found that having a young person NEET would have a financial cost and their research quoted that the average NEET would cost the taxpayer £160,600 during their lifetime.⁴ Another report documented that projects that reduce crime and increase employment have the highest ratios of social return on investment,⁵ which is the focus of the OMP.

This SROI study will follow an established methodology – see Appendix 1

Within the limited scope of this report, the study has sought to identify, and where appropriate quantify and value the social benefits deriving from the activities of the OMP in their financial year 2010/11.

3.1 Mapping

The first phase of the study involved compiling an ‘Impact Map’ of the project – see page 9.

Scoping the activity of OMP and its intended outputs and outcomes proved quite straightforward. However, because OMP works alongside other statutory and voluntary agencies involved in the lives of their young mentees, properly attributing OMP’s contribution to the positive outcomes and impact on those young people’s lives calls for finer judgement.

At best these outcomes can be attributed on the basis of an informed estimate. Section 9 below offers a sensitivity analysis to illustrate the effect on this report’s findings of changes in some key assumptions.

² Available at www.calgaryyouthjustice.com/SROI2008.pdf

³ Available at www.sroi-europe.org/files/kibble_works_sroi.pdf

⁴ Coles, B. *et al.* (2010) *Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training*, York University

⁵ Heady, L. (2010) *SROI for Funder*, New Philanthropy Capital is available at www.philanthropycapital.org

3.2 Accounting

3.2.1 Monetised Inputs & Costs

The accounts for OMP for the period from June 2010 to May 2011 show total expenditure of £81,868.

Approx. £61,700 (75%) of expenditure was accounted for by payroll and on costs. The balance represents travel, publicity, administration, session staff and volunteer expenses.

OMP's core funding is drawn from a Northern Rock Foundation grant. In 2010/11 the drawings on that grant amounted to £36,778. The project secured other grant funding amounting to £32,845 (40% of outgoings) and a further £12,245 of income (15% of outgoings) was generated through fundraising (before expenses) and donations.

3.2.2 Resources In Kind

OMP benefits from resources in kind from Northumbria Police in the form of office accommodation, phone, internet, stationary and other services valued at approximately £6,000 in the Coalition's annual accounts

During the calendar year 2010, 25 mentors were actively working with the mentees, and a further 12 new mentors were recruited and entered training. OMP does not maintain a separate log of mentor hours. However records show that in 2010 the average successful mentoring relationship lasted 6 ½ months. For the purposes of this study it has been assumed that each mentor/mentor relationship lasts for an average period of 6 months with 4 contact sessions of 1 ½ hours each month (including travel time and supervision by the volunteer co-ordinator) – ie a total of 36 volunteer hours per relationship.

16 volunteer hours have been assumed for each mentor entering training.

A further 50 volunteer hours have been attributed to fundraising activities and other project support during the year.

3.2.3 Other Added Value to the Mentees and their families

It is a characteristic of the way in which OMP works with its mentees that the project staff often provide extended support to the mentee and their families which goes beyond the functional relationship of facilitating the mentoring programme. This may include liaison with the school or other statutory agencies, advocacy, support and advice to parents with respect to behavioural problems with other siblings and benefits advice, etc.

This support is logged by the worker on the mentee's record. For the purposes of this study, this additional support is treated as tending to strengthen and sustain the outcomes for the mentee, rather than as separate outcomes in their own right.

3.2.4 Use of Financial Proxies

Having identified the potential streams of social return, each has been researched to identify suitable 'financial proxies' through which to assign an economic value.

The measures adopted and values attributed are summarised, together with their underlying assumptions in the table on pages 17 & 18.

The main financial proxy used in this report is that of the cost of young people 'not in education, employment or training' (NEET). The study undertaken by the University of York for the Audit Commission (already cited - page 3) divides NEET costs into two areas:

- i) The unit public finance cost (the average cost of each young person who was NEET).
- ii) The lifetime resource costs of those who are NEET such as out of work and other benefits.

This report found that on average the unit public finance cost was around £56,000, and the lifetime resource costs amounted to approximately £104,000, leading to a total lifetime cost to the taxpayer of a NEET of £160,000.

The referrals to OMP are young people at risk of offending. In 2011 the Government issued revised the costs for individual crime incidents.⁶ These included:

- Shop lifting - an average £131 per incident.
- Theft from a vehicle - an average £1,034
- Attempted theft of a vehicle – an average £617
- Domestic Burglary - an average £3,925
- Criminal Damage - an average £1,053

Soft outcomes, such as improved self-esteem can more be difficult to assign a monetary value. In 2010, a Scottish organisation working with clients with mental health issues (EKOS) conducted a study which valued increased self-esteem had an initial value of £3,078.40, and increased confidence had a value of £499.38 for each client.⁷

The New Economics Foundation (NEF) calculated that a series of cognitive behaviour therapy sessions to build up self-esteem would cost £1,240 per participant.⁸ The NEF methodology equated the participation of individuals in a community development project to the building up self-esteem through cognitive behaviour therapy sessions.

⁶ Home Office (2011) Revisions made to the multipliers and unit costs of crime used in the Integrated Offender Management Value for Money Toolkit

⁷ EKOS (2010) SROI-Forecast of Forth Sector Business Development Plan: Report for Forth Sector

⁸ NEF (2010) Catalysts for Community Action and Investment: A Social Return on Investment analysis of community development work based on a common outcomes framework

The University of York study employs the idea of a ‘road to Damascus moment’ to describe when a young person decides makes a change in their life. This brings about some immediate benefits, and others which accrue cumulatively over a period of years. Thus, for example, if a young person decides to stop shoplifting then the immediate proxy value would be £131 saved for each individual shoplifting incident. If the young person then decides to take up some form of vocational training and is successful in finding employment other benefits will begin to accrue as result of them no longer being a NEET, becoming economically active and paying income tax and national insurance.

3.3 Reporting

This report is not a full SROI study, but it offers a broad projection of the incremental impact arising from the work carried out by the OMP. It is based upon available figures and a set of assumptions about the project and the impact of its services. It can only be as accurate as the underlying forecasts upon which it is based.

For that reason, page 20 below sets out a sensitivity analysis to illustrate how changes in the assumptions would affect the projected social return.

4 Impact Map

The Impact Map (next page) illustrates how inputs and activities generate OMP’s outputs and outcomes impacting upon the lives of mentees, their families, volunteers and others affected by the project.

**Fig 1
Impact Map**

Inputs

Project Grants
Fundraising Income
Salaried project staff & sessional workers
Volunteer time & other pro bono support
Office accommodation at Northumbria Police HQ
Referrals from various agencies

Activities

Recruitment and training of volunteer mentors
Development of training materials
Seeking referrals from a variety of agencies
Matching mentors / supervision of mentoring relationships
Designing and managing special projects
Planning and organising fund-raising events.
Writing and submitting bids
Collection and collation of activity data and case studies

Outputs

Employment of staff
Pool of trained mentors
Course materials
Initial meetings with mentees & needs assessment
Regular mentoring sessions for up to 1 year
Bimonthly review meetings with mentors and mentees
Other targeted interventions/family support where needed
Other projects delivered through sessional staff and volunteers.
Funds raised from supporters and institutions
Performance reporting data for Board & funders

Outcomes

Job satisfaction for staff & for volunteer mentors
Participation of different stakeholders
Contribution to 'Big Society' agenda
Opportunities for young people to have a positive relationship with an adult
Reduced risk of young people offending or NEET:-

- ✓ Improved behaviour at school and at home
- ✓ Improved school attendance
- ✓ Improved academic achievement
- ✓ Improved confidence to resist peer pressure
- ✓ Enhanced self-esteem

 Achievement of Funders' aims

Impact

Reduced risk of offending amongst target group of young people
Reduced cost to youth justice system
Improved educational/employment prospects
Support for families of young people at risk
More cohesive society



5 Findings

The findings are presented in five sections: the history of the OMP, an overview of OMP activities in the year under review, the outcomes achieved, the estimated financial benefit of those outcomes and finally some case studies of young people passing through the programme to illustrate its influence upon young lives.

5.1 Findings – The History

Begun in 1998, the OMP has worked with over 300 young people and has trained over 130 volunteers. It has never been stagnant and developed to meet the needs and demands of those young people referred to the programme. The OMP has received continuous feedback from the young people, volunteer mentors, referral workers and parents/guardians who have direct influence on the project.

The organisation has aimed to be flexible and give each mentee an individual support tailored to their needs.

5.2 Findings – An Overview of OMP (2010)

This section focuses on the stakeholders, such as the mentees, mentors, the staff and other agencies interacting with the OMP.

During the calendar year 2010:

- The OMP received 29 referrals of young people in need of support. During the year 25 young people were in an appropriate mentor; 6 mentees already in relationships begun in the previous year and 19 new relationships initiated during the year. 8 of the young people referred did not proceed to a mentoring relationship and two referrals were awaiting assessment at the year end.
- There were 25 active mentors during the year. A cadre of 12 new mentors were recruited and began their training in December 2010.
- There was some turnover of employed staff during the year. However, two part-time volunteer co-ordinators with appropriate youth-work backgrounds were successfully engaged. One of the staff posts was funded by Sunderland YOT.

Volunteering & Fundraising

In March, two mentees and five mentors abseiled the Vermont Hotel, Newcastle as part of a fundraising event.

In October seven mentees helped at a fund raising week at Gateshead's Metrocentre. This involved interacting with the general public on a charity barrow and packing bags for shoppers in Marks and Spencer.

5.3 Findings – Outcomes

OMP aims to contribute towards that ‘road to Damascus moment’ which leads to a changed pattern of behaviour amongst young people.

According to OMP’s records:

78% of those actively participating in the programme in 2009 and 2010 desisted from further offending

83% (21 young people) engaged in or maintained an educational placement.

(This was a difficult figure to achieve and the OMP staff attended meetings and liaised with the schools and college to get positive outcomes. In three cases, the relationship between the young people and the schools had completely broken down and these mentees were supported into finding alternative education provision. One mentee was at risk of her college placement breaking down and was given additional help and support by OMP staff and their mentor. This led to a series of meetings with the college to reverse the breakdown and the young person was able to successfully complete the course).

Based upon mentee feedback, 94% of the young people supported had increased their levels of motivation and aspiration.

OMP staff worked to improve family relationships working with the young people, their families and external agencies. On one occasion, a mentee was made homeless, because of family problems and the OMP staff and the mentor provided extensive support to ensure alternative housing was provided. Through mediation family relations improved to such an extent that the young person returned home. One young person was placed in care due to a family breakdown and the OMP brought an element of stability by keeping up with the regular meetings. The OMP staff have given support to families and encourage them to access additional help from appropriate agencies.

5.4 Findings – A Discussion about Monetised Indicators & Attribution

The monetised value of the outputs and outcomes of OMP derive both from the direct outputs of the project in terms of employment, training, fundraising, etc and the imputed outcomes of the project in terms of the influence on the young mentee’s lives, and the behavioural changes that result.

5.4.1 – Employment & Training

The OMP provides employment for 1 full time and two part-time members of staff. Without the continued funding of the project, these jobs would be lost.

The OMP also provides training to a new cadre of mentors each year to refresh its volunteer pool. For the purposes of this study that training has been valued at £500 per participant, based upon evidence of equivalent training costs from web research. The mentoring skills passed on through the training will be transferrable in other volunteering contexts. It has been assumed for

this study that only 1/3 of participants would have accessed similar training from other sources if the OMP course has not been run.

5.4.2 – Funds Levered In

Thanks to the core funding provided by the Northern Rock Foundation (NRF), OMP levered in other grants, fundraising income and donations amounting to some £49,000. It has been assumed for the purposes of this study that 50% of the grants awarded to OMP might otherwise have been awarded to fund similar interventions elsewhere, and that all fundraising income and donations are project specific.

5.4.3 – Resources in Kind

The resources in kind from Northumbria Police (office space at Ponteland and other support services) are valued as they appear in the Coalition's accounts.

Mentors and volunteers give their time to the project without pay. Volunteer hours are valued at £13.10 per hour (median average earnings in 2011). Only 50% of mentor hours have been attributed to the project because it is assumed that if opportunities for volunteering through OMP did not exist, some volunteers would engage in other forms of community work.

5.4.4 – Outcomes for Mentees

As noted on pages 7 and 8 above there are a range of established financial proxies by which to value the outcomes for mentees.

NEETs

The University of York study undertaken for the Audit Commission found that in 2010:

- The average public finance cost of NEET was estimated as £56,300 throughout the lifetime of the individual;
- The average lifetime resource costs (including benefits payments and the like) amounted to £104,300 (2010); resulting in a total lifetime cost of £160,600.

The evidence in 5.3 above, supported by some of OMP's own case studies reported in section 5.5 below, suggests that OMP's mentoring relations can provide an important turning point in individual's lives, significantly reducing their tendency to remain NEET (with all of the associated societal costs) and encouraging them to become more economically active.

Given that the mentoring scheme operates alongside a number of other support interventions for such individuals, it is a matter of judgement how much of the assumed monetised saving to the public purse should be attributed to OMP.

Section 5.3 suggests around an 80% success rate in respect of some of the key outcomes sought for mentees participating in the programme. To attribute as little as a 5% reduction in the propensity to become NEET for each mentee on the programme would, based upon the University of York study, deliver a lifetime saving of £200,000 to the taxpayer.

Enhanced Self Esteem & Improved Family Relationships

Whilst taking care not to double count any benefits assumed under the NEET calculation above, it is reasonable to assume that OMP regularly contributes to enhanced self-esteem and improved family relationships. This is reported by mentees in their feedback upon the experience of participating in the programme.

The NEF study already cited calculates that the value series of cognitive behaviour therapy sessions to build up self-esteem at £1,240.⁹

Similarly in 2011, the Museum of East Anglia Life (MEAL) carried out a SROI and used a proxy of £333 for better family relations.¹⁰ This amount was based upon the cost of a series of relationship counselling sessions.

For the purposes of this study it has been assumed that 50% of mentees derive benefits equivalent to one or other of these outcomes; and therefore these outcomes are attributed a monetised value of £9,831.

Reduced Offending

Reduced offending will tend to have a cumulative effect, since if the offender's behaviour is unchecked, there is a risk that s/he will continue to offend year after year. Young people, especially young males, are most at risk of offending and of entering the criminal justice system before they reach the age of 24. Research from North America suggests that a criminal career may last between 5 to 15 years, and an 18 year old may have a criminal career of appropriately 6 years. There were no solid figures for the number of crimes per year, but it was suggested they would commit between 1 and 4 crimes per year.¹¹

UK figures released in 2012 found that during 2010, 33.3% of young/juvenile offenders reoffended and they carried out on average an additional 2.79 offences, domestic burglary and absconding from bail being the most common.¹² Once a young offender has experienced a custodial sentence the chances of them reoffending increases. In 2009, 71% of children aged between 10 to 17 years old released from custody in reoffended within a year.¹³

The Home Office's estimates for the cost of incidents of crime are noted in page 7 above. For the purposes of this report the benefits of reduced re-offending attributed to OMP have been estimated at 20% of the mentees (1 in 5) desisting from offending for 2 years (6 offences) at a cost per crime of £1,225 = £36,750.

⁹ NEF (2010) Catalysts for Community Action and Investment: A Social Return on Investment analysis of community development work based on a common outcomes framework

¹⁰ Available at <http://research.mla.gov.uk/case-studies/display-case-study.php?prnt=1&prjid=588>

¹¹ Mark A. Cohen (1998) The Monetary Value of Saving a High-Risk Youth, *Journal of Quantitative Criminology*, Volume 14, Number 1, p. 5-33

¹² Ministry of Justice (2012) Proven Re-offending Statistics Quarterly Bulletin April 2009 to March 2010, England and Wales.

¹³ Ministry of Justice (2011) Proven Re-offending Statistics Quarterly Bulletin January to December 2009, London

5.5 Findings – Case Studies and Cost Implications

Case Study 1: Jenny

Jenny was referred to the mentoring project by the Youth Offending Team. She had been charged with shoplifting and was in the top 50 young people most at risk of offending in her geographical area. Jenny rarely attending school and was the main carer for her younger siblings on a regular basis. She had low self-esteem and a lack of confidence. Through work with her mentor gradually Jenny gained self-esteem and confidence. By the end to the relationship she was attending school and looking towards going to college to do a nursery course. Jenny stated, *"I could not have got through this year and be where I am if it hadn't have been of the support from Poppy"*.

Jenny's case points to the benefits both of re-engagement with education at a crucial time in her development and of reduced offending.

Case study 2: Tim

Tim was thirteen years old and had been excluded from school and had not been in education for nearly a year. He had behaviour problems and was known to the police. His parents had problems and Tim had no positive male role models. The OMP worker liaised with an alternative educational project and helped Tim and his mother.

Eventually, after fully participating in the project, Tim decided he wanted to train to become mechanic. He showed the self-confidence to help out at the fundraising week at the Metrocentre.

Tim was very definitely at risk of becoming a long-term NEET with intervention and support.

Case Study 3: Jane

Jane aged 15 years, was referred to OMP by her Education Welfare Officer who was based at the Youth Offending Team. Jane was at risk of offending and had had several close encounters with the police. Jane had not attended school for the past year.

Her mentor (Helen) identified at an early stage Jane's extremely low levels of self-confidence and self-worth. They looked at issues surrounding this and worked on raising her confidence. As the relationship developed you could see Jane starting to grow and blossom. She started to take control of her life and thinking about what she hoped to achieve in the future. Jane had previously believed she would not be able to go to college as she left school aged 14 and with no qualifications. She joined a young woman's project where they supported her in doing some GCSE's. Jane and Helen went to visit job centres and career's advisors.

The relationship came to an end after 12 months and both Helen and Jane identified the relationship had been extremely positive on both sides.

The positive development of Jane was immense. Jane had been successful in gaining a place at North Tyneside College in September. With the support of the project Jane has put together a CV and is preparing to apply for a part time job whilst at college.

Case Study 3: Paul

Paul was involved with OMP for a number of years and had a total of 3 mentors. Paul was a persistent offender and committed crimes ranging from burglary to car theft and was homeless. Paul was not engaging or turning up for any of his other appointments including meetings with his probation worker. However, week after week he turned up for his mentor (Steve) without fail. Paul had a variety of issues affecting him, which through the support of his mentor he addressed.

Paul had left school at the age of 13 with no qualifications. He is now 18 years old and has never had the confidence or inclination to gain employment or access training. With the support of the project he has put together a CV and has prepared to apply for a job. He now lives independently in a rented flat. The relationship has been challenging for both Paul and Steve – and rewarding to both. Paul says of Steve, "*he's a cracking bloke, he's mint*".

It is clear that without intervention Paul's anti-social behaviour would have resulted in long-term costs to the state as a NEET and as a persistent offender.

6 Table of Monetised Indicators

Item	Annual/ Lifetime/ Recurring	Assigned Value	How valued?	Attribution Assumption	Source Data
Staff Posts & Mentor Training					
Staff Posts	Annual	£61,700	1 FT Manager, 2 PT Vol Co-ordinators	100%	Per OMP Accounts
Mentor Training	Annual	£3,300	Attributable value of training 10 Mentors pa	66%	Based upon web research for comparable products
Sub Total		£65,000			
Funds Levered In					
Other Grants secured to fund the Project	Annual	£16,423	Grants secured during year under a review	50%	Per OMP Accounts
Fundraising & Donations	Annual	£12,000	Fundraising/Donations during year	100%	Per OMP Accounts
Sub Total		£28,423			
Resources In Kind					
Resources In Kind from Northumbria Police	Annual	£6,000	As valued by NCAC	100%	Per OMP Accounts
Mentor Hours	Annual	£6,943	Valued at £13.10 per hour (Median Av Earnings)	50%	Estimated for this report
Other Volunteer Hours	Annual	£655	Valued at £13.10 per hour (Median Av Earnings)	100%	Estimated for this report
Sub Total		£13,598			

Item	Annual/ Lifetime/ Recurring	Assigned Value	How valued?	Attribution Assumption	Source Data
Improved Outcomes for young people because of interventions by OMP					
Fewer NEETS	Lifetime	£200,000	Lifetime cost of a single NEET is £160,600	Attribute 5% reduction in propensity to become NEET for each mentee	York University Study for the Audit Commission
Enhanced Self-Esteem & Improved Family Relationships	Lifetime	£9,831	Cost of Cognitive Therapy - £1,240 Cost of Relationship Counselling - £333	50% of mentees benefit from one or other of these outcomes	New Economics Foundation and Museum of East Anglia
Reduced Incidents of Offending	Recurring over 2 years	£36,750	Average cost of crimes per Home Office study	Assume 1 in 5 mentees desists from offending for 2 years resulting in 6 fewer crimes	Home Office statistics
Sub Total		£246,131			

8 Calculation of Social Return

The calculation of social return can be approached in a number of ways. For the purposes of this report, we have chosen two different bases of calculation to illustrate OMP's value added.

8.1 SROI based upon the Northern Rock Foundation Grant

For this calculation we take in to account both the monetised social value of the outcomes delivered by the project and the value of funds and additional resources levered in as a consequence of the core funding provided by NRF (ie if the NRF funding had not been in place to secure the existence of the project, what additional funding and outcomes would have been lost)

For the accounting year June 2010 to May 2011, the amount of NRF core grant expended was just under £37,000.

Taking that grant as the 'Input' – the social value resulting can be valued – according the indicators on pages 17 and 18 - as

Item	Added Value
Mentoring Training	£3,300
Funds Levered in	£28,423
Resources in Kind	£13,598
Mentee Outcomes	
- Fewer NEETS	£200,000
- Self Esteem/Relationships	£9,381
- Reduced Offending	£36,750
TOTAL	£291,452

This would yield a social return on investment of 788% - ie £7.88 of estimated social value delivered for every £1 of input invested. It is clear that the calculated return is strongly influenced by the assumed value of 'Fewer NEETS' – a point addressed further in Section 9 below. However, even if assumed added value for NEETS is discounted entirely, the estimated social return still works out at a respectable 247%.

There is always some justifiable scepticism at a reported SROI multiple as high as 788%. The purpose of framing the calculation in this way is to show the value of the NRF grants in catalysing the entire project. The section following considers the SROI of the project as a whole.

8.2 SROI based upon all financial inputs

The second calculation takes as its basis all of the project income as 'Input' – ie it looks as the social return of the project as whole, not just the social return of the NRF grant.

In the table for this calculation, the line for Funds Levered In disappears, and the value of Staff Posts created/sustained can be added.¹⁴

Item	Added Value
Staff Posts	£61,700
Mentor Training	£3,300
Resources in Kind	£13,598
Mentee Outcomes	
- Fewer NEETS	£200,000
- Self Esteem/Relationships	£9,381
- Reduced Offending	£36,750
TOTAL	£324,729

This yield a social return on investment upon the total project Inputs of £81,868 of 397% - ie £3.97 of estimated social value delivered for every £1 of total input invested. Even if assumed added value for NEETs is discounted entirely as in the previous calculation, a modest positive social return of 152% would result.

¹⁴ The value of staff posts created/sustained was omitted from the first calculation because to include both jobs and funds levered in would result in double counting of some added value.

9 Sensitivity Analysis

As has already been discussed, any SROI estimate is only as good as its attribution assumptions.

In this report we have sought to balance the evidence of from OMP and from its case studies about the value of its interventions with its young mentees, with the fact that the mentees and their families will also be receiving support from other agencies.

The York University study into the lifetime cost of NEETs (£160,600) offers a useful financial proxy, but it also makes any SROI calculation using it liable to exaggeration or understatement depending upon the attribution weighting applied.

Since the York study calculations also factor in an elements of cost to the criminal justice system, care must be taken not to double-count any assumed benefits of reduced offending.

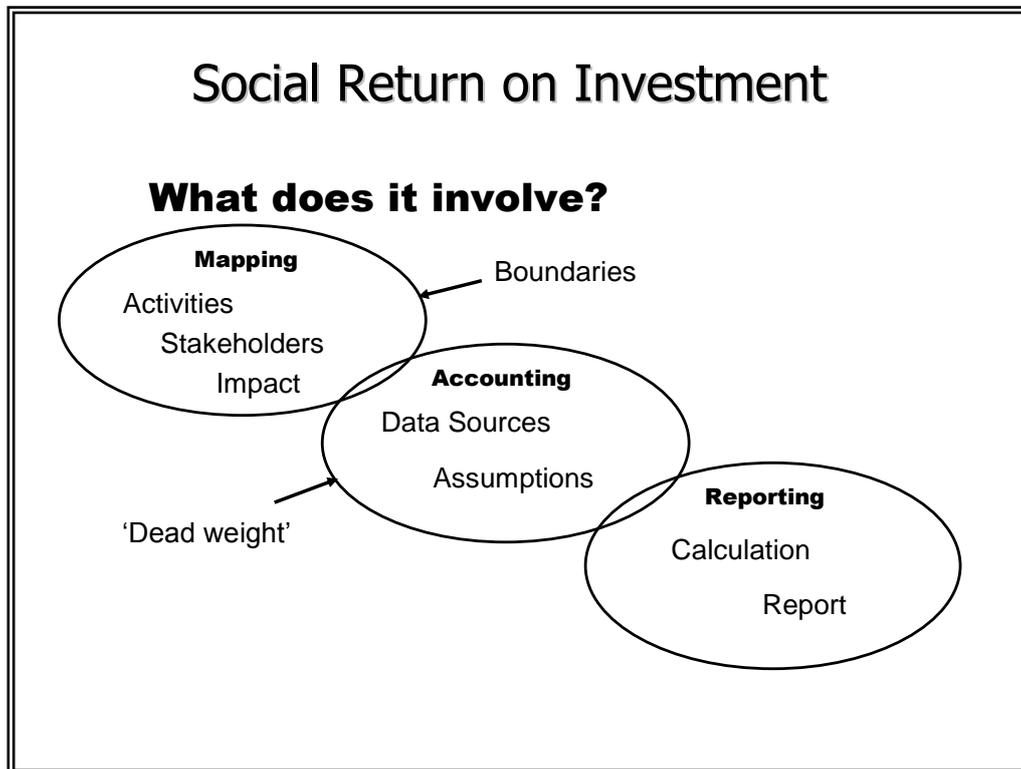
As has been shown in the preceding section, OMP shows a positive SROI result even if no incremental social value is attributed to a reduced propensity to become NEET. The case studies would suggest that the impact of the mentoring programme is more positive than that.

The table below shows how the calculated SROI changes if certain key attribution assumptions are altered.

Assumption Basis	SROI on NRF Grant	SROI on All Inputs
Original Estimate	788%	397%
If attribution of NEET & offending cost savings <u>reduced</u> by 50%	467%	252%
If attribution of NEET & offending cost savings <u>increased</u> by 50%	1109%	542%
If attribution of NEET savings <u>reduced</u> by 50% & offending cost savings <u>increased</u> by 50%	567%	296%
If no attribution of NEET savings & offending cost savings <u>increased</u> by 100%	346%	197%

Methodology

Orthodox SROI methodology involves a 10 step process. The 10 steps are sometimes distilled into three stages as illustrated below. There are no fundamental difference between the 10 steps and the three stage approach – the difference is more about a simplification of process and paperwork.



Further detail about SROI methodology can be found at www.thesroinetwork.org