



**Coventry Local Enterprise Growth  
Initiative (LEGI) SROI Assessment  
Job Brokers**

# Contents

<b>Executive Summary</b>	<b>3</b>
<b>Section 1 — Introduction and background</b>	<b>6</b>
<b>Section 2 — SROI Methodology</b>	<b>7</b>
<b>Section 3 — Job Brokers</b>	<b>9</b>
Introduction	9
Stakeholder engagement	10
Impact Maps	11
Data Collection	12
Economic Model	13
<b>Section 4 — SROI Ratio and Benefits breakdown</b>	<b>16</b>
Job Brokers	16
<b>Section 5 — Recommendations</b>	<b>19</b>
<b>Appendices</b>	<b>21</b>

## Executive Summary

### Introduction

**nef consulting** were commissioned in October 2008 by Coventry City Council to conduct a Social Return on Investment (SROI) on two strands of their LEGI programme – Workmates and Job Brokers. The objective of the analysis was to better understand and demonstrate the full socio-economic impact these programmes were having on their principal stakeholders.

The SROI methodology captures social value by translating outcomes into financial and non-financial measures.

- Social value is understood by conducting stakeholder engagement.
- This engagement leads to the development of the theory of change of the programme (the demonstration that the activities of an organisation logically lead to the identified outputs and finally the outcomes as identified by stakeholders).
- The magnitude of change is then identified through either an evaluative or predictive approach (dependent on data availability)
- Outcomes are then translated into financial values to create a social return on investment ratio.

### Job brokers

The Job Broker programme is the principal programme under the Coventry LEGI employment strand. The role of job brokers is to ensure clients are 'job-ready' and to match them with prospective employers. This programme's principal stakeholders include the clients (they assist into employment), the clients' families, employers and the State.

The outcomes identified through the stakeholder engagement demonstrated the effect gaining employment (via the programme) had on clients':

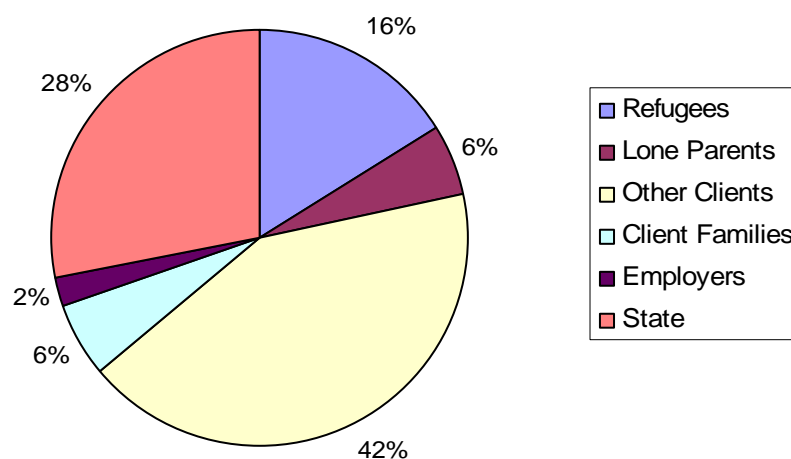
- Social isolation
- Mental health
- Ability to act independently and take initiative
- Financial stability

Limited data demonstrating the identified outcomes meant a 'generic' job broker client was used to predict the event of these outcomes based on the number of clients assisted into sustainable employment. The process of financialisation of the identified outcomes, when compared with the financial input made by the programme for the period under review created the programme's SROI ratio.

The SROI ratio for the Job Broker programmes is 9.7:1 That is, an estimated £9.7 worth of social value was generated for every £1 spent on the programme between April 2007 and November 2008.

Diagram EXEC.2 presents the breakdown of the social value created by the Job Broker programme by stakeholder.

**Diagram EXEC.2: Share of Value by Stakeholder – Job Brokers**



**Total Value: £4M**

## Recommendations

The SROI ratio is an important indicator of value, but needs to be understood within the context of how a given intervention sets out to make a difference. For this reason, ***a direct comparison between the ratios for Workmates and Job Brokers should be avoided.*** The SROI process enables us, however, to make several policy and measurement recommendations.

### *Policy recommendations*

- Maintain the community location and one-to-one focus of the Job Brokers programme.

### *Measurement recommendations*

Recommendations for improvements in existing data collection systems include:

- Full capture of existing demographic client information.
- Full capture of the benefits clients' are accessing prior to moving into employment.
- Development of a method to more accurately track whether clients assisted into employment are still in employment after 26 weeks<sup>1</sup>.

In addition to improving current data collection systems, we would recommend the development of a new measurement tool — such as an outcomes star<sup>2</sup> to track the progress made by clients across the types of outcomes identified in the analysis. This would allow:

<sup>1</sup> Data records indicating whether people were still in employment after 26 weeks were incomplete. For the purposes of this analysis, extrapolation of the collected data was required.

<sup>2</sup> <http://www.homelessoutcomes.org.uk/resources/1/OutcomesStar/OutcomesStar.pdf>

- Tracking of clients against multi-dimensional outcomes demonstrating both the magnitude of the impact made, but also (in line with the objectives of SROI) applying a financial value to that impact
- The production of a highly accessible and visually powerful tool to demonstrate the magnitude of change in a number of aspects (outcomes) of a client's life.
- The progress of clients to be tracked as they move between the different programmes of LEGI resulting in better understanding of the impact of each of the LEGI work strands and a better understanding between LEGI work strands of the situation of individual clients.

## Section 1 — Introduction and background

Social Return on Investment (SROI) is a measurement approach that helps organisations to understand and manage the social, environmental and economic value that they are creating. It captures social value by translating outcomes into financial and non-financial measures.

**nef consulting** were commissioned in October 2008 by Coventry City Council to conduct a Social Return on Investment on two strands of their LEGI<sup>3</sup> (Local Enterprise Growth Initiative) programme – Workmates and Job Brokers<sup>4</sup>. The Coventry LEGI programme is current and in operation for three years – from 2006 to 2009. The period of review for this analysis is the 18 months between April 2007 and November 2008.

The Coventry LEGI programme comprises five principle strands of work:

- Inspire and Engage
- Employment
- Business Start-Up
- New Business Opportunities
- Business Support

Job Brokers forms part of the Employment strand and while managed by the Council, the programme is delivered in part through the social enterprises Watch Ltd. and The WEET Centre. The role of job brokers is to ensure clients are 'job-ready' and to match them with prospective employers. The job brokers work in tandem with other LEGI programmes, most notably Barrier Breaking<sup>5</sup> to ensure clients are best positioned to move into employment.

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<sup>3</sup> The Local Enterprise Growth Initiative (LEGI), announced in the 2005 UK central government budget, aims to release the economic and productivity potential of the most deprived local areas across the country through enterprise and investment thereby boosting local incomes and employment opportunities, and building sustainable communities

<sup>4</sup> For the purposes of this analysis, post-support workers are included within the Job Brokers programme.

<sup>5</sup> Barrier Breaking was established by Coventry to meet a need for assistance wherever a barrier for clients was identified, from interview clothing to computer courses.

## Section 2 — SROI methodology

The SROI methodology<sup>6</sup> employed to analyse the Job Broker programme consisted of the following approach.

### **Phase 1: Setting Parameters and Impact Map Boundaries**

- Create the framework for the analysis — what part of the organisation, or individual project is to be measured — and prepare background information.
- Describe how the project or organisation works and decide the time period for measurement.

### **Stakeholders**

- Identify the stakeholders whose costs and benefits — associated with the investment or organisation — are to be measured.
- Prioritise key stakeholders and objectives. Materiality — the accountancy term for ensuring that all the areas of performance needed to judge an organisation's performance are captured — is used in the selection of stakeholders and objectives.
- Identify common or overriding objectives.

### **Impact Map**

- Conduct stakeholder engagement to assist in the creation of an impact map that describes how the organisation/investment affects key stakeholders.
- An impact map demonstrates how an organisation's inputs and activities are connected to its outputs and how in turn these may affect stakeholders' outcomes. Impacts can then be derived from the identified outcomes.

### **Phase 2: Data Collection**

#### **Indicators**

- Identify appropriate indicators to capture outcomes and identify monetised equivalent values for those indicators. Where monetary values for indicators are not obvious, a selection of approaches is used to determine financial proxies for intangible impacts.

#### **Data Collection**

- Use tried and tested sources to gather the data — required by the impacts laid out in the impact map — for accurate measurement of identified costs and benefits.

### **Phase 3: Model and Calculate**

#### **Model & Calculate**

- Create a cost-benefit model using gathered data and projections:
  - Calculate the present value of benefits and investment, total value added, SROI ratio and payback period.
  - Use sensitivity analysis to identify the relative significance of data.
  - Account for the displacement, attribution and deadweight of the organisation/investment under review.

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<sup>6</sup> The **nef consulting** SROI methodology adheres to both SROI-UK and SROI-Europe principles of SROI.

#### ***Phase 4: Report***

##### ***Report***

- Consider and present the SROI produced by the organisation/investment.
- Identify how the benefits are divided between stakeholders.
- Identify the key factors that affect the SROI ratio.

Section 3 outlines how the above methodology was applied in the context of the assessment of the Job Broker programme.

## Section 3 — Job brokers

### Introduction

The Job Brokers programme is the principal programme of the Coventry LEGI employment strand. The programme's clients (those looking for work) come from a number of sources<sup>7</sup>. Among these are the referrals from the Workmates programme. The Job Broker programmes also works in tandem with another of the Inspire and Engage strand's programmes, Barrier Breaking.

The Job Broker programme employs five job brokers and four post-employment support workers. These are situated across a number of LEGI areas in Coventry including, Broad Horizons, Willenhall (WEETC) and Hillfields (Watch). While Coventry has managerial control of the programme, the job brokers that are employed through third sector suppliers (such as WEETC or Watch) report to their own line manager who in turn report to the core Coventry employment manager.

Job brokers fulfil a roll similar to the organisations contracted by Job Centre Plus, such as Working Links, People Served and Work First. These agencies have been established to serve different types of unemployed individuals from those on incapacity benefit (working links), to those formerly in the criminal justice system (people serve) and various groups under the government's New Deal (e.g. 18-24 and 50+ age groups).

The principal differences between the above mentioned organisations and Job Brokers are two-fold.

- Job Broker delivery organisations are not contracted by Job Centre Plus and there is therefore no recourse to withholding benefits if individuals choose not to use the Job Broker programme
- Job Broker delivery organisations are based in the communities which they serve.

From discussions with stakeholders, both factors were found to be important in discussing the effectiveness of the programme.

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<sup>7</sup> Over 50% of clients placed in employment through the job brokers programme approached the scheme through word of mouth recommendation.

## Stakeholder engagement

Table 3.1 presents the rationale for selection of material stakeholders. The selection was made in conjunction with core LEGI and Job Broker staff. The table also lists the method of engagement adopted and the number of stakeholders engaged.

**Table 3.1: Stakeholder Audit Trail**

Stakeholder	Rationale for inclusion/ exclusion	Method of Engagement	No. engaged
Clients	Inclusion - primary beneficiary	Semi-structured interviews at Job Clubs and telephone interviews	10
Client families	Inclusion - presumption of impact via clients	Through clients by asking in the interview about effects on their family	as above
Job Brokers	Exclusion* - no significant reward difference from other similar employment (e.g. Job Centre Plus)	Semi-structured interviews	3
Employers	Inclusion – may obtain significant benefit from being able to find suitable employees that are local	Telephone interviews	5
Local community	Exclusion – the effect is more at the individual level. The Job Brokers not a presence in the community in the way that Workmates are	-	-
State	Inclusion – savings across a range of service areas	Policy documents	n/a
Partner Organisations (e.g. Barrier Breaking)	Exclusion - rationale same as Job brokers. Attribution issue dealt with at economic modelling stage	-	-

\* Despite being excluded from the analysis, job brokers were interviewed in developing the programme storyboard that helped inform the programme impact map.

- While those clients interviewed at job clubs demonstrated an appreciation of the service and listed a number of reasons why they preferred job brokers to other schemes (highlighted in section introduction), it was not clear that the outcomes identified (presented in Table 3.2) were sustainable without secure employment. The telephone interviews with clients that had secured employment provided a clearer picture of the impacts of the job broker programme.

## Impact Maps

Central to the SROI methodology is making explicit the theory of the change an organisation or programme is trying to achieve; that is to demonstrate that the activities of an organisation logically lead to the identified outputs and finally the outcomes as identified by stakeholders. Table 3.2 presents an abbreviated theory of change<sup>8</sup> for the Job Broker programme.

**Table 3.2: Impact Map**

Stakeholder	Activities	Outputs	Outcomes
Clients	Needs Assessment - create action plan	Economic activity	Increased self-confidence and self-esteem
	Assistance with CVs, application forms		Reduced social isolation
	Improve job search skills		Improved mental health
	Direct to relevant partner programmes for assistance		Better relationships with partner and children
	Manage client expectations Organise voluntary work		Taking initiative and acting autonomously
Client families		Improved financial incomings	
		Further education	
		Reduction in alcohol/drug misuse	
		Improved financial management	
		Reduced time available for families	
Employers	Follow-up - deal with issues		Better relationships
State			Better parent to children
			Recruitment cost savings
			Cost savings to NHS
			Cost savings to DWP
			Increased tax revenue

- Taking initiative and acting autonomously came through strongly as an outcome achieved by clients that had worked with the Job Brokers programme. This was exemplified by a client that had first moved into employment via Job Brokers, but had then used her own initiative to find, interview for and secure new employment when her personal circumstances changed.
- A number of the above listed client outcomes were identified as arising from the engagement between clients and the job brokers. For example, job search skills and a greater awareness of the reality of the labour market. However, through the development of the impact map, it became clear that the necessary condition for sustaining those outcomes was the move into employment.
- Employers identified recruitment cost savings as an outcome of the Job Brokers programme.

<sup>8</sup> See Appendix 3 for the full theory of change — the Job Broker Storyboard and Impact Map.

## Data Collection

Evidencing the potential benefits identified through stakeholder engagement requires data for each of the outcomes presented on the impact map in Table 3.2. At present, only information on the listed outputs are recorded.

The data currently collected includes:

- The number of clients engaged in the Job Broker programme.
- The number of clients assisted into employment.
- The number of clients still in work after 13 weeks and after 26 weeks.

This presents a significant challenge to an evaluative SROI as it is difficult to retrospectively measure the change that stakeholders have experienced. Consequently, most outcomes had to be forecasted.

**Table 3.3: Data Collection**

Stakeholder	Type of Data	Method/Rationale
Client	Forecasted	Job brokers collect some demographic information on the clients they assist into employment. This allowed the creation of two subsets of clients— lone parents and refugees. However, no data was recorded describing the outcomes that affect each of these groups. A generic client type was therefore assumed (that experienced all of the outcomes identified in table 3.2 with notable exceptions – see following section). All of the outcomes of these three types were then scaled up to the number of clients job brokers had assisted into sustainable employment*.
Client families	Forecasted	
Employers	Evaluative	Telephone interviews assessing likely time/cost savings
State	Forecasted	Based on client forecasts

\* Sustainable employment equates to over 26 weeks and more than 16 hours per week.

With a complete lack of records demonstrating either the magnitude of change or the incidence of the occurrence of identified outcomes, the scale and occurrence of outcomes in the economic model should be treated as indicative only.

The absence in existing data collection systems leads us to recommend the implementation of a system for routinely collecting outcomes data, such as the Outcomes Star. Such a system would enable evaluative SROIs to be conducted in the future.

## Economic Model

The economic model was developed in five stages:

- Deriving outcome incidences for each stakeholder as set out in data collection
- Sourcing a financial proxy or direct cost for each outcome
- Determining impact by accounting for deadweight, displacement, and attribution
- Determining a benefit period and drop off for each stakeholder
- Projecting value into the future

### *Outcomes incidences*

Three factors can potentially affect the scale of the economic activity outcome (i.e. improved financial incomings) identified in the stakeholder engagement:

- Civil status
- No. of dependents
- Benefits currently being claimed

This information is not currently recorded by the Job Broker programme. An assumption was therefore made to divide equally the number of non-lone parent clients into the following two categories:

- Single males coming off JSA
- Married males coming of IB

The refugee client sub-set were assumed to be equally represented between single males and married men.

Due to the lack of recorded evidence of outcomes occurrence, the assumption was made that the outcomes identified in the stakeholder engagement — with notable exceptions — applied across the spectrum of clients assisted into sustainable employment. The exceptions included:

- Lone parents
  - No alcohol misuse outcome<sup>9</sup>
  - No better relationship with partner outcome
  - Expected to work part-time (20 hours per week)
- Single males<sup>10</sup>
  - No better relationship with partner outcome

A majority of employers interviewed indicated a resource (time or cost) saving from employing clients via the Job Broker programme. Savings identified included avoiding paying agency premiums during trial period or reduction in induction due to work experience programme.

The projected savings for the state were based on the client outcome forecasts.

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<sup>9</sup> All the lone parents assisted into sustainable employment were female.

<sup>10</sup> For non-lone parent

## Monetising outcomes

The stakeholder engagement suggested a number of indicators — a way of knowing that the outcomes had occurred — which could be used in the creation of financial proxies where there was no available market price to measure the identified outcome by. Table 3.4 presents a selection of the indicators and proxies used<sup>11</sup>.

**Table 3.4: Selected Financial Proxies and Direct Costs**

Stakeholder	Outcomes	Outcomes Description	Indicator/Proxy	Source
Clients	Reduced social isolation	Increase in social interaction in workplace or outside	Increase in number of interactions with others	Academic paper, Powdthavee (2007)
	Improved mental health	Reduced depression, reduced stress	Beta coefficient from OLS regression analysis	European Social Survey data (sample size approx. 20,000), 2006
	Further education	Obtaining on the job training qualifications or external training	% increase in salary prospects	Academic paper, University of Warwick
	Reduction in alcohol/drug misuse	Reduced intake of alcohol/ possibility of falling into alcohol misuse	Per clinic consultation cost, alcohol case worker, A&E	PSSRU, University of Kent, 2007
Client families	Better relationships	Reduction in the incidence of divorce	Average cost of divorce and % attributable to unemployment	Norwich Union & Journal of Population Economics, 1990
Employers	Recruitment cost savings	Resource saving (time, cost) from avoiding other sources of prospective employees	Avoidance of paying premium for use of agency staff	Brigade clothing, Coventry
State	Cost savings to NHS	Reduced cost of mental health services	Average cost for NHS day care for mental health problems	PSSRU, University of Kent, 2007
	Cost savings to DWP	Reduction in benefits resulting from employment	Actual reduction in benefits for three client types (weighted by incidence)	Coventry City Council

- Two client outcomes were not monetised. Self confidence and improved financial management. Upon reflection, it was felt that both of these had been covered in other outcomes and financialisation of them would risk double counting. For instance, the most often quoted example of improved financial management was a reduction in stress, which is already captured in improvements to mental health.

<sup>11</sup> A full list of the proxies used is included in Appendix 2.

- A number of proxies are shared with the workmates clients where appropriate. Evidence that only three workmate clients moved into employment via the Job Broker programme indicated that the closest fit to the 'average' job broker client type were the low needs workmates clients.

### ***Determining Impact***

The economic model subtracts for the effects of deadweight and attribution to determine the change that can be credited to the organisation. Due to the lack of outcome specific benchmarks, the following approach was used for measuring deadweight and attribution for the Job Broker programme.

- **Deadweight:**
  - Client — the fall in the average number of JSA claimants across the West Midlands (who had been on benefits for a duration of 1 to 1.5 years) was used as a benchmark for estimating what would have been the effect on employment in the absence of the Job Broker scheme.
  - Employers — an estimation that in the absence of the Job Broker programme, recruitment agencies would have filled the jobs taken by Job Broker clients on average 25% of the time.
- **Attribution:** Statistics were available for the number of clients assisted by job brokers into sustainable employment that had been referred by work mates. Statistics were also available for the number of those clients assisted by job brokers into sustainable employment that had benefitted from the Barrier Breaking programme. A 50% share was attributed to Workmates and 50% to Barrier Breaking for these clients<sup>12</sup>.
- **Displacement:** We have assumed that there is an 80% chance that the jobs filled by job broker clients would have been filled by others (possibly already employed or from outside the immediate LEGI area. Central government would therefore have realised the increased tax revenue anyway. The 80% figure is a conservative amount from a range in the empirical literature of between 15% and 90%.

### ***Benefit period and drop-off***

The benefits period we have assumed for the stakeholders of the job broker clients is a standard five-year period. The drop-off period (which is used in the sensitivity analysis) is based on the low needs cases from the workmates analysis. The rationale for this is that the low number of workmates' referrals that go onto sustainable employment (via the Job Broker programme) suggests that only those with higher needs do not feature among those moving into employment.

### ***Projecting value into the future***

When projecting benefits into the future, it is standard SROI practice to discount any future benefits. The HM Treasury discount rate of 3.5% was applied to all future benefits in the model. Discounting is the final step in constructing the model. The results of the model are discussed in Section 4 (SROI Ratio and Benefits Breakdown).

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<sup>12</sup> 2% of clients assisted in sustainable employment were referred by work mates. 22% of clients assisted into sustainable employment utilised Barrier Breaking.

## Section 4 — SROI Ratio and Benefits breakdown

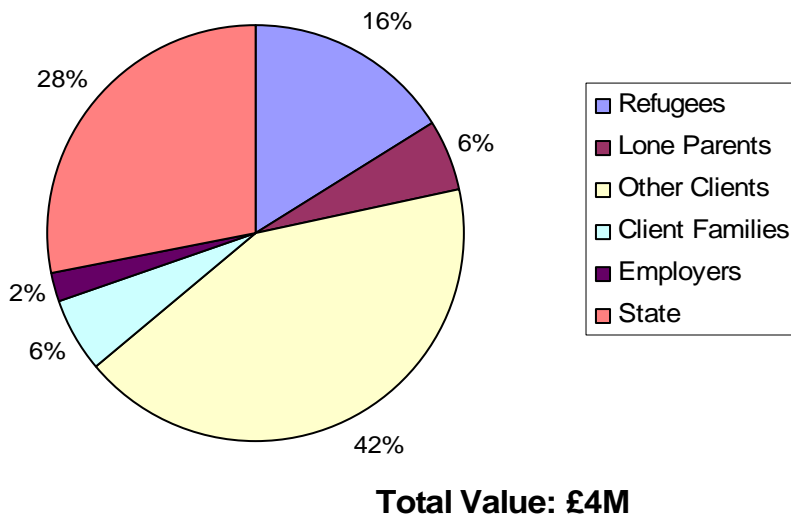
### Job Brokers

The SROI ratio for the Job Broker programmes is 9.7:1 That is, an estimated £9.7 worth of social value was generated for every £1 spent on the programme between April 2007 and November 2008.

It is possible that the ratio underestimates the value created. This is because the model does not account for benefits received by clients in the Job Broker programme that failed to move into employment. However, as mentioned above, the rationale for not including these clients was a lack of evidence of impact and that it was sustained in the absence of employment.

Diagram 4.5 presents the breakdown of the social value created by the Job Broker programme by stakeholder.

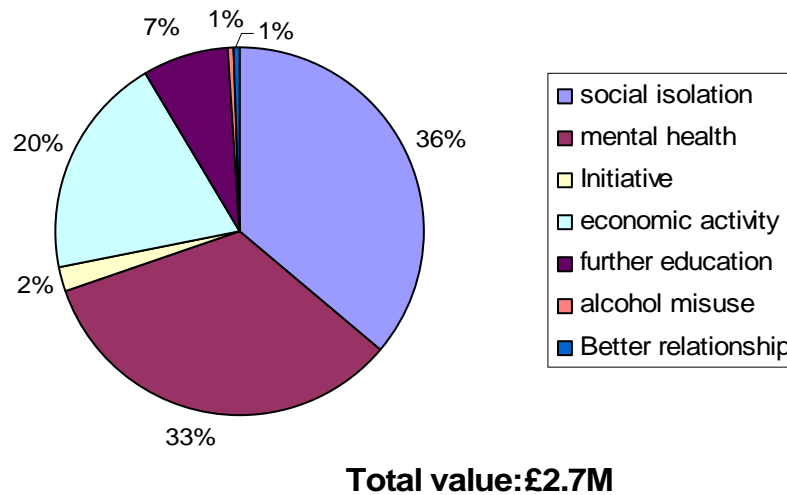
**Diagram 4.5: Share of Value by Stakeholder**



- The collective value for Job Broker clients (including lone parents and refugees) is approximately two-thirds of the total value created.
- Other client sub-sets include ex-offenders, disabled and those with mental health issues. However, none of these groups contributed significant numbers to the total number of clients assisted into sustainable employment by the Job Brokers programme.
- The State is the other significant beneficiary with slightly more than one quarter of the total value created.
- The share of value of client families may be underrepresented as only one 'generic' type of client was assumed to have a partner and therefore that partner benefit from an improved relationship coming from the move into employment.

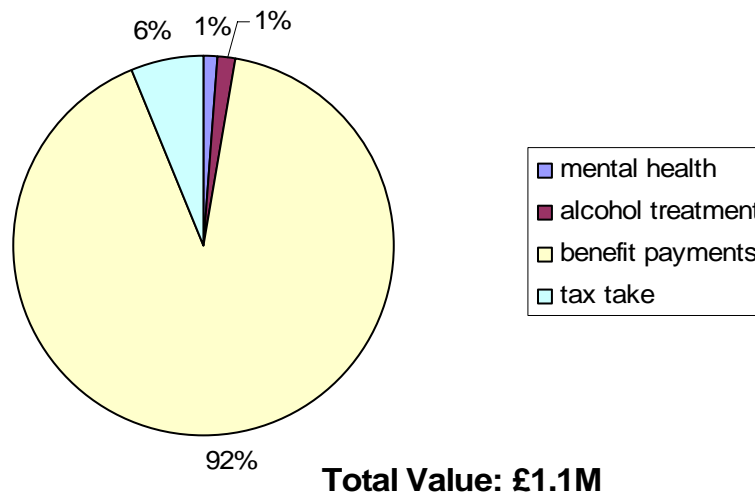
The breakdown of the benefits for the two principle stakeholders — clients and the state — are presented in Diagrams 4.6 and 4.7

**Diagram 4.6: Outcomes share for Clients**



- The principle outcomes are improvements in mental health and a reduction in social isolation from moving into employment.
- The economic benefit from an improvement in the financial incomings represents 20% of the total value generated by the programme for clients.

**Diagram 4.7: Outcomes share for State**



- The overriding benefit for the State comes from the reduction in benefits payment resulting from people moving into employment. The total value (savings to the state) of £1.1 million is approximately 2.5 times the investment in the Job Broker programme. With the majority of these being benefit payment reductions, these are real financial savings to the State.

### *Other key findings from the Job Brokers SROI model*

- Using the benchmark of drop off in JSA claimants (that had been claiming for between 1-1.5 years) for the West Midlands to act as a benchmark, the model predicts that as a percentage of the total number of clients engaged on the programme, clients assisted into employment is higher than the benchmark figure for the West Midlands.

### *Sensitivity analysis*

A number of factors were varied to test the sensitivity of the model:

- **Financial proxies** were systematically varied and demonstrated low sensitivity. For the most significant outcomes (by value) of social isolation and mental health, a halving of the unit proxy values only resulted in a reduction in the ratio to 8.5. This lack of variability suggests robustness in the proxies used.
- **Deadweight and attribution** both have high sensitivity in the model. Doubling either the deadweight or halving the attribution across all client group, led to a near halving of the ratio to 4.9. This level of sensitivity highlights the importance of accurate measurement of both data for benchmarking purposes and attribution between partner programmes.
- **Drop-off** was varied. Drop off in the base case was linked to low-needs workmates clients. If the drop off is reduced to a mid-point between mid and low need clients (i.e. the benefits remain higher for longer), the ratio increases to 12.6. This again indicates sensitivity in the model. While the drop off rates in the base scenario have face validity, better outcomes tracking of clients over the longer term would enable these to be empirically tested.

## Section 5 — Recommendations

The SROI ratio is an important indicator of value, but needs to be understood within the context of how a given intervention sets out to make a difference. For this reason, ***a direct comparison between the ratios for Workmates and Job Brokers should be avoided.***

The SROI process enables us to make several policy and measurement recommendations.

### *Policy recommendations*

- **Maintaining the community location and one-to-one focus of the Job Brokers programme.** A consistent feature of the stakeholder engagement was the personalised approach and welcoming environment of the Job Brokers programme, as opposed to similar services accessed by those clients. This may be a reason why the model predicts that as a percentage of the total number of clients engaged on the programme, clients assisted into employment is higher than the benchmark figure for the West Midlands.

The SROI ratio and stakeholder engagement suggest that the Job Broker programme is creating significant social value. However, to have a better understanding of exactly the type of clients that are being reached, current data recording systems need to be made more complete. Without more detailed information, it is difficult to produce more detailed policy recommendations.

### *Measurement recommendations*

Recommendations for improvements in existing data collection systems include:

- Accurate capture of existing demographic breakdown of clients assisted into employment plus marital status and no. of dependents.
- Accurate capture of the types of benefit people are accessing prior to moving into employment. This would allow a more accurate benchmarking exercise with current national data (such as that used for the benchmark in this analysis).
- Development of a way to more accurately track whether clients assisted into employment are still in employment after 26 weeks<sup>13</sup>.

In addition to improving current data collection systems, we would recommend the development of a new measurement tool — such as an outcomes star<sup>14</sup> to track the progress made by clients across the types of outcomes identified in the analysis.

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<sup>13</sup> Data records indicating whether people were still in employment after 26 weeks were incomplete. For the purposes of this analysis, extrapolation of the collected data was required.

<sup>14</sup> <http://www.homelessoutcomes.org.uk/resources/1/OutcomesStar/OutcomesStar.pdf>

- To be able to track progress of clients against the multi-dimensional outcomes identified, an interim recommendation of this analysis is to consider the development of an Outcomes Star model for use across LEGI in future evaluations. Such a tool would be designed to both measure the magnitude of the impact made, but also (in line with the objectives of SROI) apply a financial value to that impact.
- An outcomes star is a highly accessible and visually powerful tool to demonstrate the magnitude of change in a number of aspects (outcomes) of a client's life. Not dissimilar in appearance to a spider diagram, it has clearly defined progress steps for each outcome which make the progress of charting change clear and transparent.
- A major benefit of such a tool is that it would allow the progress of clients to be tracked as they move between the different programmes of LEGI i.e. they would start their journey with work mates, who might hand over to Job brokers or Business Mentors who in turn may work with Barrier Breaking. The impact of each of these strands would be able to be more accurately measured with such a tool.

## **Appendices**

Appendix 1 — Job Broker SROI Projections

Appendix 2 — Job Broker proxies for monetised outcomes

Appendix 3 — Job Broker stakeholder engagement: story board and impact map

## Appendix 1 —Job Broker SROI Projections

Stakeholder	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Client: Single male</b>	985,535	197,107	39,421	7,884	1,577	1,231,524
<b>Drop off</b>	788,428	157,686	31,537	6,307		
<b>Client: Lone parent</b>	180,086	36,017	7,203	1,441	288	225,036
<b>Drop off</b>	144,069	28,814	5,763	1,153		
<b>Client: Married male</b>	1,008,472	201,694	40,339	8,068	1,614	1,260,187
<b>Drop off</b>	806,778	161,356	32,271	6,454		
<b>Client Families</b>	182,509	36,502	7,300	1,460	292	228,064
<b>Drop off</b>	146,008	29,202	5,840	1,168		
<b>Employers</b>	82,992	0	0	0	0	82,992
<b>Drop off</b>	82,992	0	0	0		
<b>State</b>	887,588	177,518	35,504	7,101	1,420	1,109,129
<b>Drop off</b>	710,070	142,014	28,403	5,681		
<b>Total (-drop off)</b>	<b>3,244,190</b>	<b>648,838</b>	<b>129,768</b>	<b>25,954</b>	<b>5,191</b>	<b>4,053,940</b>

Cost	£401,745	NPV	£3,884,211	SROI Ratio	<b>9.7</b>
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## Appendix 2 — Job Broker assumptions and proxies

Description	Value	Source
Total number enrolled on Job broker (and PSEW) programme	1080	Coventry City Council
Total number into employment (Q1 2007- Q3 2008)	197	Coventry City Council
by Broad Horizons	18	" "
by WSSW	26	" "
by WATCH	75	" "
by WEETC	78	" "
<b>Employment</b>		
Estimated number in employment (via job brokers) after 26 weeks	192	Coventry City Council
Estimated number still in employment that used BB	44	" "
Estimated numbers still in employment that came from WM	4	" "
Estimated number of lone parents	20	" "
Estimated number of refugees	44	" "
Estimated number of disabled	7	" "
Estimated number with mental health difficulties	5	" "
Estimated Asian males	29	" "
Costs & Assumptions	Value	Source
<b>Client</b>		
Hours worked per week	37	Coventry City Council
Average wage = 10% above minimum wage	6	HMRC
% of those into employment of type A client	45%	estimation
% of those into employment of type B client	10%	Coventry City Council
% of those into employment of type C client	45%	estimation
No. into employment of type A client	86	estimation
No. into employment of type B client	20	Coventry City Council
No. into employment of type C client	86	estimation
Net income change for type A client per annum	4,307	Coventry City Council
Net income change for type B client per annum	2,982	" "
Net income change for type C	4,378	" "

client per annum

Net annual income for type A client	9,770	Coventry City Council
Net annual income for type A client	6,110	" "
Net annual income for type A client	9,770	" "
Attribution for economic activity outcome	0.88	Assumption: Clients that used the barrier breakers benefited equally from JB's and BB's, and clients that came from WM also benefited equally
Deadweight: based on claimant off-flow west midlands to 1.5 years oct	0.07	<a href="http://www.nomisweb.co.uk">www.nomisweb.co.uk</a>
Reduced social isolation	7,750	Powdthavee (2007), see: <a href="http://www.powdthavee.co.uk/resources/valuing_social_relationships_15.04.pdf">http://www.powdthavee.co.uk/resources/valuing_social_relationships_15.04.pdf</a>
Reduced mental distress	1.7	Beta coefficient from OLS regression on 2006 European Social Survey data (sample size approx. 20,000)
Average cost of divorce per couple	10,413	Norwich Union
Occurance of divorce attributable to unemployment	6%	Journal of Population Economics, 1990
Taking initiative - % rise in salary	5%	estimation
Further education - positive pay increase if moving from no qual to at least a level 2 qual	17%	University of Warwick <a href="http://www.leedsthomasdanby.ac.uk/courses/higher/facts.cfm">http://www.leedsthomasdanby.ac.uk/courses/higher/facts.cfm</a>
No. of A&E visits for alcohol misuse per annum	4	estimation

#### Clients families

Average family spend on kids	3,000	Middleton, S. (1997) Fortunes: Spending on children, childhood poverty and parental sacrifice, Josephy Rowntree Foundation
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#### Employer

Deadweight: Number of times role would have been filled by a temp agency	50%	estimation
Cost saving from not using employment agency	962	Brigade Clothing, Coventry

#### State

Per clinic consultation cost, alcohol case worker, A&E	34	Personal Social Services Research Unit, University of Kent, 2008 <a href="http://www.pssru.ac.uk/pdf/uc/uc2007/uc2007.pdf">http://www.pssru.ac.uk/pdf/uc/uc2007/uc2007.pdf</a> - p.52
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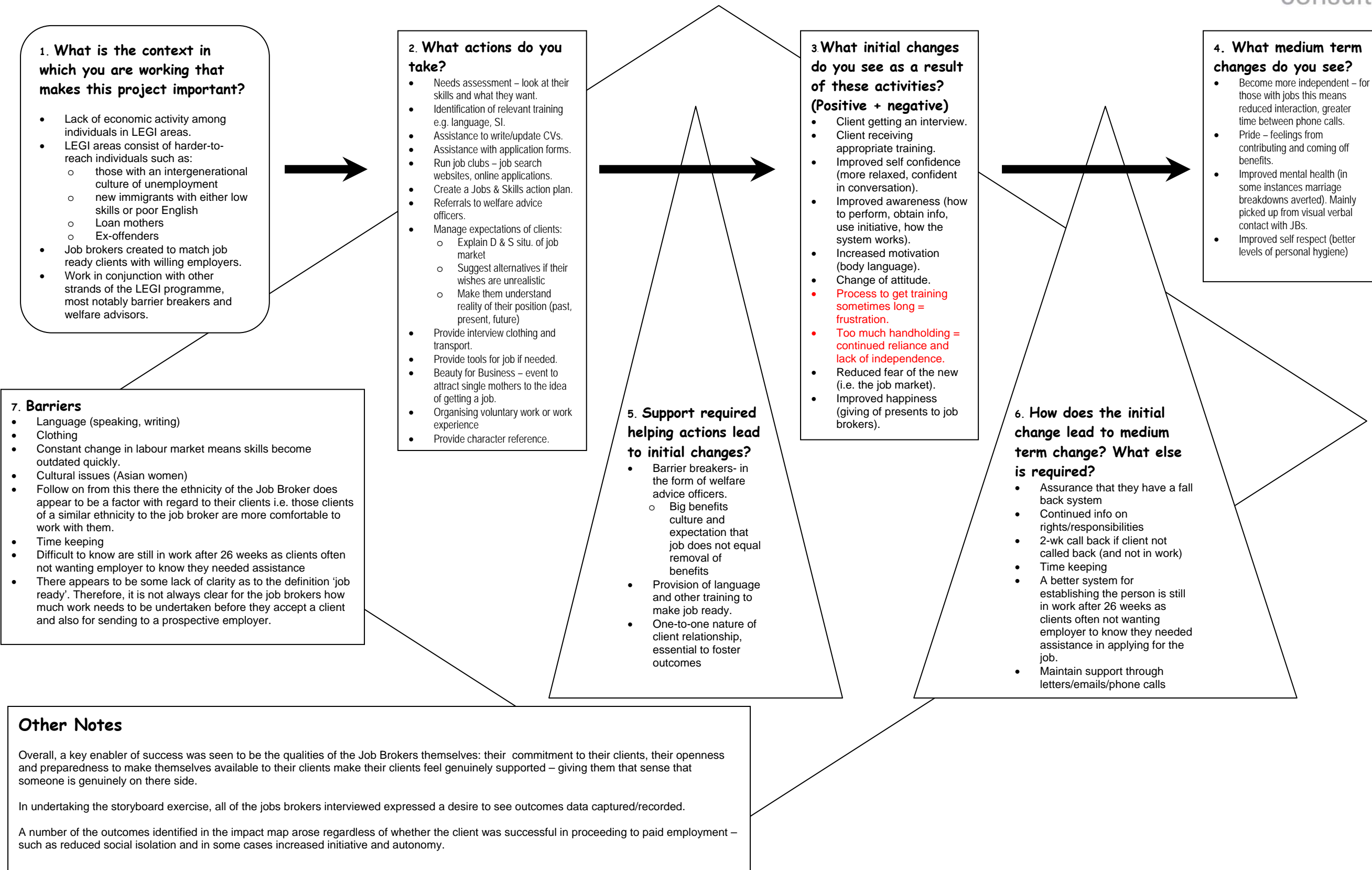
Average cost (per annum) for NHS day care for mental health problems	109	Personal Social Services Research Unit, University of Kent, 2008 <a href="http://www.pssru.ac.uk/pdf/uc/uc2007/uc2007.pdf">http://www.pssru.ac.uk/pdf/uc/uc2007/uc2007.pdf</a> - p.64
Net benefits improvement for State from type A client (per annum)	5,463	Coventry City Council
Net benefits improvement for State from type B client (P/T) (per annum)	3,128	" "
Net benefits improvement for State from type C client (per annum)	5,392	" "
Net tax improvement for State from type A client (per annum)	1,774	Coventry City Council
Net tax improvement for State from type B client (P/T) (per annum)	130	" "
Net tax improvement for State from type C client (per annum)	1,774	" "
Deadweight: 80% probability role would have been filled by another unemployed person	80%	15%-90%

#### **Drop Off**

Client	0.8	Low needs client (workmates analysis)
Client family	0.8	Low needs client (workmates analysis)
Employer	1	Benefits only last for the first year
State	0.8	
Discount rate	3.5%	Treasury

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# Storyboard: Job Brokers





**Impact Map: Job Brokers**

Stakeholder	Activities	Outputs	Outcomes	Outcome Descriptions	Proposed Indicator	Indicator for 08
Client	Activities of the Job Brokers (see Storyboard)	<ul style="list-style-type: none"> <li>▪ Number of clients into sustainable employment</li> <li>▪ Number of clients undertaking work experience</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased confidence and self-esteem</li> <li>▪ Reduced social isolation</li> <li>▪ Improved mental health</li> <li>▪ Better relationships with partner and children</li> <li>▪ Economic activity</li> <li>▪ Further education</li> <li>▪ Reduction in alcohol/drug problem</li> <li>▪ Improved financial management</li> <li>▪ Taking initiative and acting autonomously</li> <li>▪ Reduced time available for family</li> </ul>	<ul style="list-style-type: none"> <li>▪ Believe in self that enables               <ul style="list-style-type: none"> <li>○ positive action towards finding employment</li> <li>○ positive interaction in family, work and social settings.</li> </ul> </li> <li>▪ Through attendance at either support centre or workplace.</li> <li>▪ Employment provides both income for social life plus new friendships.</li> <li>▪ Reduction in levels of depression. "The routine of work provides me with a reason to get out of bed." More positive feelings about future prospects.</li> <li>▪ Less relationship stress. Skills, confidence and mental state to be a better parent to children.</li> <li>▪ Moving into employment</li> <li>▪ Regular work patterns allowed pursuit of further education.</li> <li>▪ Training and qualifications often available from employer.</li> <li>▪ Reduced intake of alcohol, reduced risk of falling into alcohol misuse.</li> <li>▪ Ability to better manage finances (e.g. save and plan for holidays, meet bills). Regular income resulted in reduced stress in the home.</li> <li>▪ Ability to find work by and for oneself.</li> <li>▪ Applicable to clients with irregular shift patterns.</li> </ul>	Outcomes Star	Forecast based on output data (no. of clients into sustainable employment) + review of academic research examining the impact of finding work on the formerly unemployed
Client families		<ul style="list-style-type: none"> <li>▪ Number of family members per client</li> </ul>	<ul style="list-style-type: none"> <li>▪ Better relationships</li> <li>▪ Better parent to children</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvement in mental health and self-esteem was said by clients to lead to better relationships with their family members, including extended family.</li> <li>▪ Increased time spent with children resulting in better educational results</li> </ul>	Outcomes Star	As above (but only for clients with families)
Employers		<ul style="list-style-type: none"> <li>▪ Number of vacancies filled by job broker clients</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recruitment cost savings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Less time required by agency to meet demands of employers.</li> <li>▪ A reduction in the time spent on induction by employers for clients that were accepted after a period of work experience.</li> </ul>	Employer Survey	Employer Survey
State	Activities of the Job Brokers (see Storyboard)	<ul style="list-style-type: none"> <li>▪ Reduction in mental health service use</li> <li>▪ Reduction in benefit payments</li> <li>▪ Increase in tax take due to economic activity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost-saving to NHS</li> <li>▪ Cost-saving to DWP</li> <li>Increased tax revenue.</li> </ul>		Based on achievement of outcomes as above	Based on achievement of outcomes as above