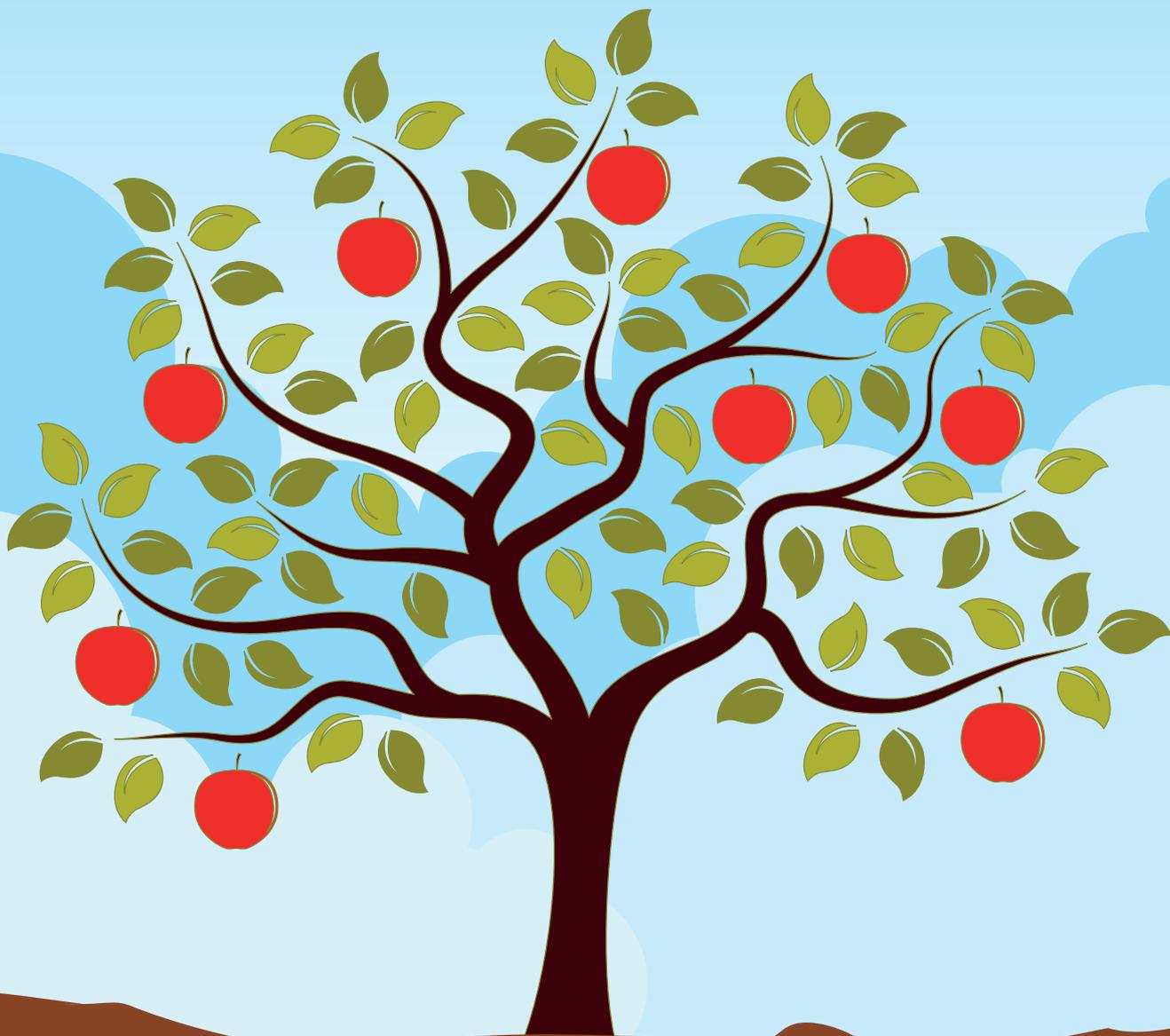




THE COMMUNITY
HOUSING GROUP



““ Social Return On Investment ””

Evaluating The Community Housing Group
Report | 2015-2016

“Social Return On Investment — SROI”

1. Why is “Social Return On Investment — SROI” important?

In this financial climate, we understand that delivering value for money services is more important than ever. As a Registered Housing Provider, we need to demonstrate that the income we receive from rents and other charges is spent wisely and that money is used to look after homes, build homes for the future and make sure that services are delivered efficiently. That is why, when we set up a new service or programme, we make sure that it will not only deliver what it is expected to do but that it can offer other benefits including improving a person’s quality of life and helping them to contribute to the wider community.

This is known as Social Return on Investment – SROI.

SROI is difficult to measure because only part of it relates to a defined outcome. For example, if you fund a training programme to teach a skill to a person, you know that the programme has been successful if they are able to use the skill to the expected standard.

However, there are other indirect benefits that will come from the programme. The skill may enable the person to find employment and by earning a wage, they can then buy products and services which support the local shops and businesses as well as the wider economy. From their wages, they will pay tax and national insurance which goes towards national services such as education and health. They may no longer claim benefits such as housing benefit or job seekers allowance, creating a saving for tax payers. This could be called a ripple effect where the benefits extend beyond the initial impact.

Measuring SROI is not an exact science and the methods of evaluating the benefits are evolving. However, organisations such as Social Value UK, Housing Associations Charitable Trust (HACT) and New Manchester Economy (NME) have developed frameworks which allow users to determine a value which can then be compared to others.

This report represents the conclusions of our pilot project to explore the most effective ways of recording and demonstrating our social value in one specific area of our work. This experience will help shape and inform our future approach and will help embed creating social value into the ethos of our organisation.

In this report, we have focussed on one area of social return through the delivery of our Employment Service. To do this we have followed the recognised principles of measuring SROI:

Involve stakeholders	The participants in this study were invited to a focus group to provide feedback about both their experiences with Vestia Community Trust and the Employment Service. Of the 42 participants, we were able to make contact with 30 and they were all invited to take part in 1 of 3 available workshops. 8 attended a workshop and 4 responded electronically.
Understand what changes	This involved looking at the circumstances of the participants before they took part in the employment service and then afterwards. This included both their employment status as well as their sense of wellbeing pre and post engagement.
Value the things that matter	We looked at the direct financial savings such as reduced benefits etc and costs associated with a sense of wellbeing, against the costs for offering the employment service.
Only include what is material	We identified key information that would present a true and fair picture of the outcomes and impact of the Service. We have only included information and outcomes with which stakeholders could draw reasonable conclusions about impact.
Do not over claim	We were very mindful about not over claiming and so have only counted changes that we know occurred as a result of the Vestia Employment Service, applying realistic attribution and deadweight calculations.
Be transparent	All financial measures and assumptions have been taken from reputable and government sources.

In this report, we will focus on the Employment Service and Apprentice Programme and start to demonstrate the value this programme achieved using a SROI framework.

“What we did”

2. Our Programme

The Employment Service was established in 2012 by Vestia Community Trust, part of The Community Housing Group (TCHG). The aim of the programme was to deliver a training course for people living in the Wyre Forest district who had been long term unemployed, which would give them practical skills and advice to help them find employment, plus work experience with a local employer. On successful completion of the course, they would receive a City and Guilds Level 1 Certificate in Employability.

For this report, we focussed on the academic year 2014-2015. During this period, there were 7 employment skills programmes with a total of 42 participants from the Wyre Forest district.

The programme offered a training course linked to actual employment or apprenticeship opportunities, with each participant guaranteed an interview if they completed both the programme and the work experience placement.

The programme was carefully designed to give a mixture of practice and theory, and included:

- An overview of the type of support available during the programme including an introduction to their Jobs Coach who would be helping them throughout the programme
- Details of the facilities and equipment which could be used during the programme
- An opportunity for participants to recognise their own achievements, skills and strengths so that they can build on these going forward

- Career planning and making job or training applications
- Exercises to allow participants to work as part of a team to help them understand the values, roles and typical structures which make a productive and successful team
- Practical information about an employee's rights and responsibilities at work
- Information about the local labour market including details of local employers to enable participants to identify and apply for job vacancies
- Practical interview skills including mock interviews in a work place situation using volunteers from local businesses and TCHG. Although a daunting exercise for many, this was an extremely valuable part of the programme as interviewers gave honest feedback to participants to help them improve their techniques.

Throughout the programme, participants were given the opportunity to develop their own problem solving and acceptable workplace behaviours.

Their support plan, which all participants develop during the programme, helps to identify an individual's strengths, career goals and also looks at the barriers faced to achieving that goal and ways to overcome them. With an allocated Jobs Coach, they can continue to receive support and guidance for a period of 6 months after the course, if required. The Jobs Coach also helps

keep participants motivated and confident to apply for jobs.

As TCHG is one of the largest employers in the Wyre Forest District (almost 550 employees), with many vacancies and apprenticeship opportunities, we can offer real job opportunities for the participants in the programme. This has been enhanced in the last two years as we work with supply chain partners to access additional work placements, job and apprenticeship opportunities.

Apprenticeships

We consider our investment in apprenticeships a perfect way to deliver our vision of “Improving Lives”, as it supports the local economy, whilst encouraging talent and injecting fresh ideas and energy into our business.

Embedding apprentices at TCHG has been achieved by adopting a planned workforce approach. Directors champion apprenticeship recruitment within their teams and encourage commitment from colleagues to recognise the valuable contribution an apprentice can make. Vestia Training supports the programme by working in partnership with managers and helping them to become a coach and role model to their apprentice. Once in post apprentices are given a clear outline of expectations and a mentor to help them along their journey. This enables TCHG to create a proactive environment which encourages and supports apprentices from the start of their programme.

This investment has been rewarded by the apprentices bringing new ideas and innovation into the Group and becoming part of our future succession plan, inclusion in the National Apprenticeship Service “Top 100 Apprentice Employers” and Regional and National individual awards for our apprentices.

In 2016, Kathleen Sandford (Learning & Development Administrator with the Group) was named the McDonald's Intermediate Apprentice of the Year at the National Apprenticeship Awards.



“What were the costs?”

3. What were the costs?

With all training or development programmes, there are costs which are necessary to ensure that the programme runs effectively including administration, accreditation fees, assessments or exams and practical costs such as refreshments for participants and preparing supporting documents and paperwork.

To calculate the SROI, we have looked at how much it costs to deliver a City and Guilds Level 1 Employability Skills programme for the 42 participants included in this report.

Training was delivered over 7 employment skills programmes which resulted in direct costs of approximately £37,500.

Each course had an average of 6 participants which gives an approximate cost of £890 for each participant.

The programme benefited from the inclusion of an established training team. The team helped to plan and deliver the course but as they were not exclusively employed for the programme, their costs have been calculated based on the time spent on the programme.



“What were the costs?”

4. What funding did we receive to deliver it?

TCHG provided the foundations for the development and delivery of the programme including the venue for training, work placements and job opportunities. Vestia Training secured external funding which enabled them to deliver the tuition to participants.

Funder	Amount
Heart of Worcestershire College (for the delivery of a City & Guilds Level 1 qualification to participants)	£19,118
Grant from the Community Learning Trust	£9,728
Total	£28,846

For the purposes of calculating the SROI, the income has been classed as a benefit to the business.

	Cost
Calculated operating costs	£37,500
Less external funding received	£28,864
Balance	£8,636



“What did participants say?”

5. How the participants benefitted

“By being given the chance to show what I can achieve, I have turned my life around for the better. Without Vestia and TCHG’s help, I could not have done this. They are still always around when I need them.” - **Business Administration apprentice and TCHG resident**

“The course was invaluable. I feel that I wouldn’t be where I am today if not for the opportunity to participate in the course.” - **participant**

“I really didn’t know what I wanted to do; I thought that having a degree would help me get a job pretty easily but I was struggling to find something suitable with career prospects.” - **apprentice**

“I think the TCHG Apprenticeship scheme is valuable to the business because it is a flexible and cost effective way of training new staff which ensures we have people with the right skills for the future. It also shows we are a socially responsible organisation.” - **TCHG employee**

“I have very much enjoyed the rapport and the atmosphere of the group. Our tutor was excellent. I learnt and built on PowerPoint skills, presentation and speaking skills.” - **participant**

“I learnt more during the 9 days with Vestia than the whole time I’ve been looking for work. Support from the tutors was and continues to be outstanding. The most important thing I have learnt was how to sell myself in interviews and on a CV and now have some invaluable skills.” - **apprentice**

“Yes, I believe it is an essential foundation to our (and any other) business. Having an apprenticeship programme ensures we are providing local employment opportunities and experience to the local community. Moreover, having a programme ensures a steady stream of “new blood” with new ideas and awareness of latest technologies to invigorate, challenge and help shape the business going forward.” - **TCHG employee**

“I am a tenant of TCHG and as a result of securing employment through Vestia’s Employment programme I have a career ahead of me my family are benefiting and my home is secure as I can afford the rent.” - **participant**



66 The Impact 99

6. The Impact

We have previously mentioned the ‘ripple effect’ in this report to describe the wider, positive impact our Employment Service has upon local communities and Wyre Forest.

We know that through delivering our core business, we have an impact upon the lives of our customers, the neighbourhoods they live in and the wider communities they are part of.

Through our work with unemployed people, our Employment Service can have a profound impact on people’s lives and help improve the social and economic fabric of the neighbourhoods where we are a significant landlord.

This report demonstrates the benefits for the individual, for TCHG as a business and society through offering training and learning programmes to tenants and the local community.

Calculating the benefit in monetary terms is not an exact science and there are many non-financial benefits that an employment programme can generate. These include improvements to the individual’s lifestyle and financial security by gaining employment and/or a wider benefit to the neighbourhood and community when money is spent supporting the local economy.

However, using the formula endorsed by Social Value UK, HACT and NME divides the achievable benefits

by the amount invested to deliver the programme, we have calculated that for every £1 spent, the benefits amount to £6.28 (or a SROI ratio of 6.28: 1). See the table opposite for further details. Alongside this evidence, we have also told the story of the participants’ journey as this puts the ‘values’ into context and provides insight into how we are helping to improve, if not transform lives in some cases.

It is recognised that social housing residents are nearly four times more likely to be out of work than those living in a privately rented or owned/ mortgaged home. This may be as a result of being economically inactive due to ill health or disability (nearly eight times more likely) or due to caring responsibilities (more than five times more likely).

One-third of households in social housing claim benefits due to being out of work, compared with fewer than one in ten not in social housing. Nearly half (47%) of working-age adults living in social housing are in relative poverty – defined as 60% below the national average income – compared with 35% for private renters and just 11% for owner-occupiers. (Office for National Statistics 2011, UK Labour Market)

For every £1 invested at least £6.28 of value is created

As the future will involve further welfare reforms, our Employment Service will focus on helping those tenants who are most at risk of falling into arrears (and eviction). This will help to ensure continued benefits

to the individual as well as future proofing our business by increasing the number of working tenants which in turn protects our rental income and may offer the choice to the tenants to buy their own homes.

Achievable Benefits	Value *
Individual <ul style="list-style-type: none"> enhanced earning power and wages received 	£4.52
TCHG <ul style="list-style-type: none"> lower arrears and rent collection and eviction costs 	£0.77
Society (the “Public Purse”) <ul style="list-style-type: none"> payments of National Insurance and income tax fewer benefits claimed wages invested in local and national economy 	£0.99
TOTAL	£6.28

As well as the economic benefits, the Employment Service also produces a significant number of ‘soft’ outcomes where a long term unemployed person or young person who is not in education, employment or training, moves into work with improved health and wellbeing, enhanced sense of purpose and where there is a family, is able to provide a positive role model for children.

* Values used by HACT and taken from the Social Value Bank, based on work presented in the following publications: Trotter et al, March 2014; Trotter et al, May 2015; Fujiwara and Vine, September 2015.



“The Impact”

7. The Value

This report has been our first deep dive to measure the value created by one of the services we offer and is the beginning of our journey to measuring our social impact.

What is value? In terms of this report, value has been used to represent:

- the value to the individual
- the value to TCHG as a business
- the value to wider society
- the value to Government

Thinking of value in all four contexts provides us with a picture of the true value of our wider community work.

We already have the evidence from participants to show that attending the employment programme has had a positive influence on their lives and it created opportunities for them to progress and gain work.

However, we didn't anticipate how far reaching the value of the outcomes would be.

This report demonstrates that the value created is greater than the resource used. In the current financial climate where resources and finances are increasingly limited, this is more important than ever.

The values represent much more than financial savings or cost avoidance. There have been life changing opportunities for individuals and families which have had positive impacts on their neighbourhoods, communities and society as a whole.

As we are committed to working with our customers and partners to help create sustainable and resilient neighbourhoods, Vestia's Employment Service has made a significant contribution towards achieving this goal.

Other benefits which have not been captured in this report include reduced recruitment costs for the Group and longer retention rates for employees recruited through the Employment Service.

For every £1 invested
at least £6.28 of value
is created

Next Steps

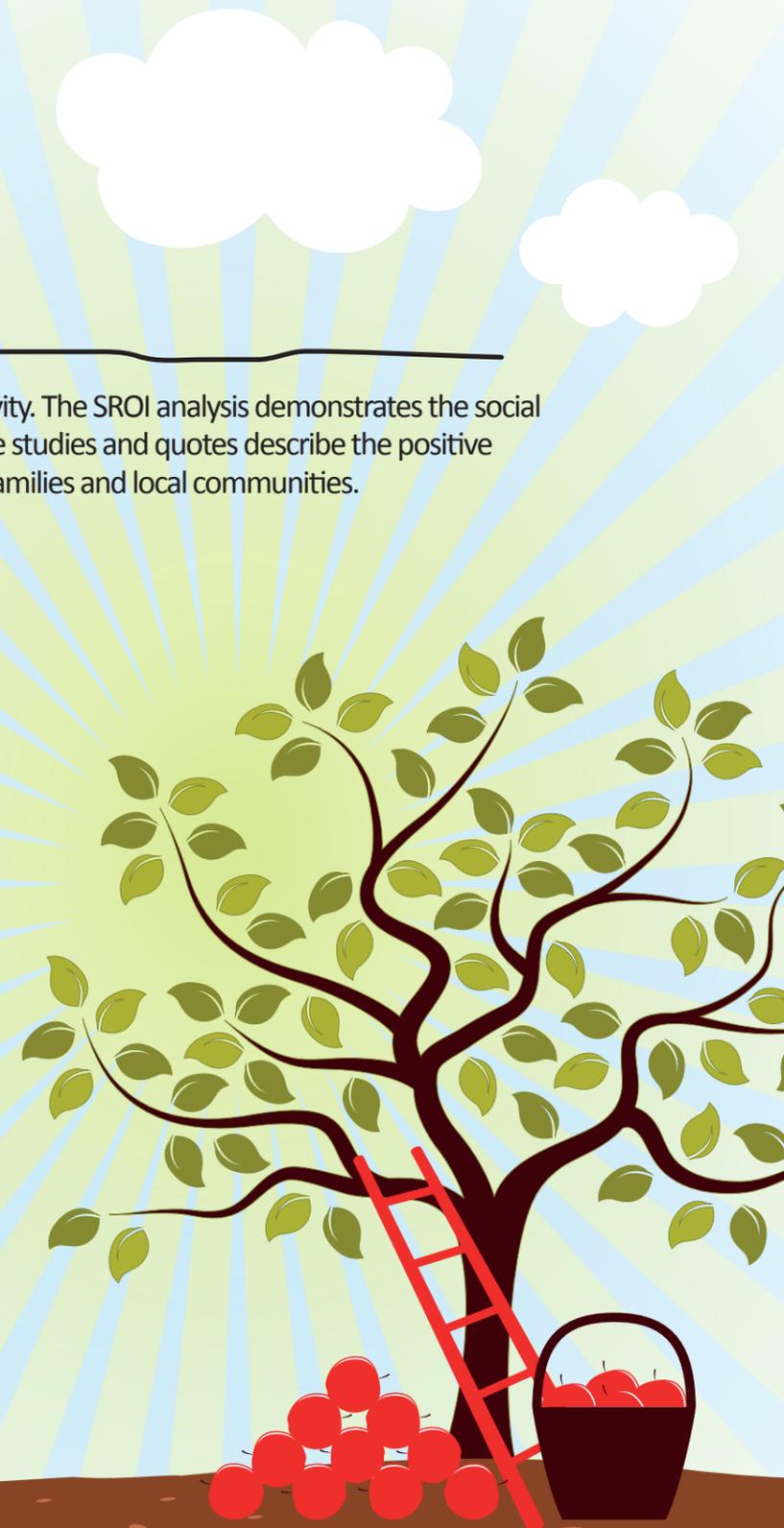
Vestia Employment Service is a valuable activity. The SROI analysis demonstrates the social return on investments achieved, and the case studies and quotes describe the positive impact that the service has on participants, families and local communities.

We believe this report demonstrates clearly the value of the Employment Service to us as a business and its ability to create real value for our tenants, local communities and society as a whole.

Going forward, we plan to develop the business case for providing targeted training, development and support to our unemployed tenants due to the positive impact this could have on tenancy sustainability and the opportunity to reduce rent arrears and evictions.

We will also use the SROI framework to measure the value created from other areas of our Corporate Social Responsibility activity including:

- Reducing social isolation amongst our older tenants
- Improving thermal efficiencies of our homes and reducing fuel poverty
- Increasing the level of digital inclusion amongst our tenants and employees



For more information about the
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