

SOCIAL RETURN ON INVESTMENT (SROI) EVALUATION REPORT OF NODDFA HOSTEL

Part of the Social Value Cymru project



“Noddfa has put me on the right path”

Contents

Executive Summary	2
1.0 Introduction.....	4
2.0 Social Return on Investment (SROI) Framework.....	9
3.0 Stakeholder Engagement & Scope of the Analysis	13
4.0 Project Inputs	19
5.0 Outputs, Outcomes & Evidence	21
6.0 Monetisations of Value & Impact.....	28
7.0 SROI Results.....	31
8.0 Sensitivity Analysis.....	41
9.0 Conclusion	43
10.0 Recommendations	44
11.0 Appendices.....	45

Executive Summary

This report details the Social Return on Investment (SROI) evaluation conducted on the Noddfa Hostel supported housing managed by North Wales Housing Association. The results demonstrate that social value is created through the project's activities, with a **SROI result of £2.08:1 – meaning that for each £1 invested, £2.08 of value is created.**

Fundamental to the success of the service is the support offered at the hostel to the tenants to help better prepare them for independent living. Tenants are offered support with basic living skills such as budgeting and cooking, but also signposted to other support they might need such as dealing with any substance misuse, or with any mental health conditions. When it is time to move on – tenants will still be offered some on-going support to help them with the transition.

There is a growing need for an alternative in our communities to support the growing concerns around mental health, poverty and to improve community cohesion. North Wales Housing Association were eager to be involved in the Social Value Cymru to better understand the impact of their programmes, but also to develop their learning of social value as a way of measuring but also managing social value. Using Noddfa Hostel as a pilot, the aim is to embed social value across all of their supported housing support.

This model offers individuals the opportunity to create changes in their own lives and to empower them to make positive decisions. Outcomes experienced by clients included **positive changes in their mental and physical health, feeling less isolated in their situation and from community, and also positive steps to improve their independence.**

Acknowledgements

This report would not be possible without involving key stakeholders that can help us to understand what changes and establish the impact. We're extremely thankful to the tenants who gave their time in order to help us understand what had changed in their lives as a result, as well as helping us to understand how to build on this impact in the future.

A huge thank you to NWA, who is clearly passionate about their work, and their enthusiasm and support to help the individuals was a crucial input in the chain of change. As they are part of the Social Value Cymru shows their commitment to both understand the impact of their work, but to also look at how they can maximise that impact.

Diolch yn fawr / Thank you

1.0 Introduction

This evaluation report will analyse the value of the Noddfa Hostel in Colwyn Bay ran by North Wales Housing Association. The impact of this programme on individuals will be considered, but also the value to other potential stakeholders.

Through engagement with the individuals receiving the support and the organisation and examining the information and data was available, appropriate estimations have been made supported by secondary evidence.

The report will initially set out the background of this programme, followed by a discussion of the Social Return on Investment (SROI) framework used to evaluate the service. The SROI results will then be discussed in detail to explain the 'story of change' and value for key stakeholders. The report will look at the social value created for activities from April 2018 and until April 2019.

1.1 Background & Context

Key Organisation(s)

Founded in 1974, North Wales Housing today is a successful social enterprise providing homes and delivering services to over 2,600 households across North Wales.

North Wales Housing's vision is 'to be the housing provider of choice in North Wales' and is recognised as a leading provider of Supported Housing services across North Wales.

The organisation offers a wide range of Supported Housing accommodation across North Wales, including Homeless hostels, a Homeless Outreach and Resettlement scheme, a Mental Health scheme, Youth Justice Service scheme and dispersed Supported Housing schemes. These services provide housing and services for vulnerable people including the homeless, people with drug and alcohol and mental health problems. They also have three Extra Care

Housing schemes specifically designed for older people, where care is provided on site as required.

Project Outline

This evaluation is done as part of the Social Value Cymru project managed by Mantell Gwynedd and led locally through Community and Voluntary Support Conwy. The focus of the project is internal decision making, and therefore this report will mainly focus on the value to those who matter the most – our clients / beneficiaries. These results will then be used as a baseline for trustees so they can start to embed social impact measurement to inform their decision making.

As an organisation, North Wales Housing Association were eager to be involved in the project to assist them in embedding social value as part of all of their supported housing projects.

Noddfa Hostel is situated in Colwyn Bay and provides temporary, supported housing accommodation for single homeless people and families who are vulnerable and need support.

All applicants for the hostel are assessed by a Multi-Agency Panel Meeting. If an applicant is accepted, they get an introduction to the Hostel and an explanation of their Licence Agreement. We carry out an assessment which helps us write a tailored Support Plan with the applicant that meets their specific needs and a member of staff will meet with the applicant to discuss your support needs.

All service users at the scheme receive:

- Help to develop good independent living skills such as cooking, shopping and cleaning
- Help to become confident in managing their money by budgeting

- Support them to access health and social care
- Support them to contact other relevant organisations for support and advice
- Support them to access education, employment, training and voluntary opportunities
- Support them to become a part of a wider community.
- Support them to complete housing applications and contact landlords and hostels.
- Support and prepare them to move on to their own accommodation
- Support them with setting up their utilities (gas/electricity)
- 24-hour support, 7 days a week

Identifying the need

One of the fundamental principles of the Social Services and Well-being (Wales) Act 2014 is prevention and early intervention. As part of the changes required with the way of working under this act, the 2017 Population Needs Assessment in north Wales¹ was published, and one of the key areas of focus is services for those who are homeless. It was reported that in Conwy 2015-16 there were 300 households assessed as homeless. During this same period of time, 70% of homelessness was positively prevented in Conwy which was slightly above the results for Wales at 65%.

The definition for homelessness in the Population Needs Assessment includes the following:

- sleeping rough
- living in insecure/temporary housing (excluding assured/assured short-hold tenants)
- living in short term hostels, night shelters, direct access hostels
- living in bed and breakfasts
- moving frequently between relatives/friends
- squatting

¹ <https://www.northwalescollaborative.wales/wp-content/uploads/2017/05/NW-Population-Assessment-Full-Report-1-April-2017.pdf>

- unable to remain in, or return to, housing due to poor conditions, overcrowding, affordability problems, domestic violence, harassment, mental, physical and/or sexual abuse, unsuitability for physical needs etc.
- threatened with losing their home and without suitable alternative accommodation for any reason, e.g. domestic abuse
- leaving hospitals, police custody, prisons, the armed forces and other institutions or supported housing without a home to go to, required to leave by family or friends or due to relationship breakdown, within 56 days of the end of tenancy, facing possession proceedings or threat of eviction.’

Individuals who are homeless are usually struggling with many difficulties with their mental health, alcohol and substance misuse, physical health problems and difficulty accessing services. While the statutory responsibility for homelessness lies with local authorities, preventing and tackling homelessness often requires a co-ordinated corporate approach and contributions from partner organisations such as; health, criminal justice, housing associations and third sector partners.

In north Wales, Welsh Government allocates the Supporting People grant to support this agenda, with £33.8 million of this grant allocated for north Wales in 2015-16. Some research has already been made into the impact of the services supported through this grant as discussed in the Population Needs Assessment,

“Supporting People funding and the retention of the funding has been key to support the preventative agenda by helping alleviate demand upon other statutory services, especially health and social services. The Supporting People Programme Grant (SPPG) Guidance (Wales) 2013 estimates that for each £1 spent on Supporting People £2.38 is saved to the public purse.”

In the Conwy Single Pathway Process for Accessing Supporting People Services 2015, it was recognised that a strategic approach was needed so that the programme “is responding to current and emerging needs.”

This new pathway was meant to ensure a more efficient pathway and ensure that the appropriate project or service was given to address the needs of the individuals.

In the north Wales population needs assessment some of the gaps were recognised as follows:

- Lack of single person accommodation
- Limited hostel provision
- Shortage of specialist provision for individuals with ongoing medical conditions
- Gaps in support services

Noddfa Hostel is therefore one of the few hostels that can offer single person accommodation in north Wales.

Since this was first published the Well-being of Future Generations (Wales) 2015 Act also came in to force which aims to get public bodies to think more about;

- Think more about the long-term
- Work better with people and communities and each other
- Look to prevent problems and take a more joined-up approach

These priorities, as well as those identified under the Social Services and Well-being (Wales) Act 2014 promotes a way of working which has the individual at the heart of decision making, and these principles will be considered when evaluating the impact of Noddfa Hostel.

2.0 Social Return on Investment (SROI) Framework

By explicitly asking those stakeholders with the greatest experience of an activity, SROI is able to quantify and ultimately monetise impacts so they can be compared to the costs of producing them. This does not mean that SROI is able to generate an 'actual' value of changes, but by using monetisations of value from a range of sources it is able to provide an evaluation of projects that changes the way value is accounted for – one that takes into account economic, social and environmental impacts. Social Value UK (2014) states;

'SROI seeks to include the values of people that are often excluded from markets in the same terms as used in markets, that is money, in order to give people a voice in resource allocation decisions'

Based on seven principles, SROI explicitly uses the experiences of those that have, or will experience changes in their lives as the basis for evaluative or forecasted analysis respectively.

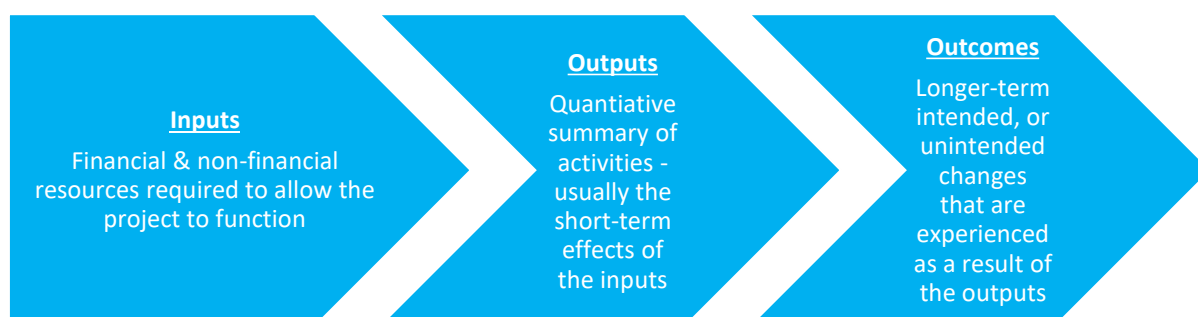
Social Return on Investment Principles

1. **Involve stakeholders** Understand the way in which the organisation creates change through a dialogue with stakeholders
2. **Understand what changes** Acknowledge and articulate all the values, objectives and stakeholders of the organisation before agreeing which aspects of the organisation are to be included in the scope; and determine what must be included in the account in order that stakeholders can make reasonable decisions
3. **Value the things that matter** Use monetisations of value in order to include the values of those excluded from markets in the same terms as used in markets
4. **Only include what is material** Articulate clearly how activities create change and evaluate this through the evidence gathered

5. **Do not over-claim** Make comparisons of performance and impact using appropriate benchmarks, targets and external standards.
6. **Be transparent** Demonstrate the basis on which the findings may be considered accurate and honest; and show that they will be reported to and discussed with stakeholders
7. **Verify the result** Ensure appropriate independent verification of the account (socialvalueuk.org)

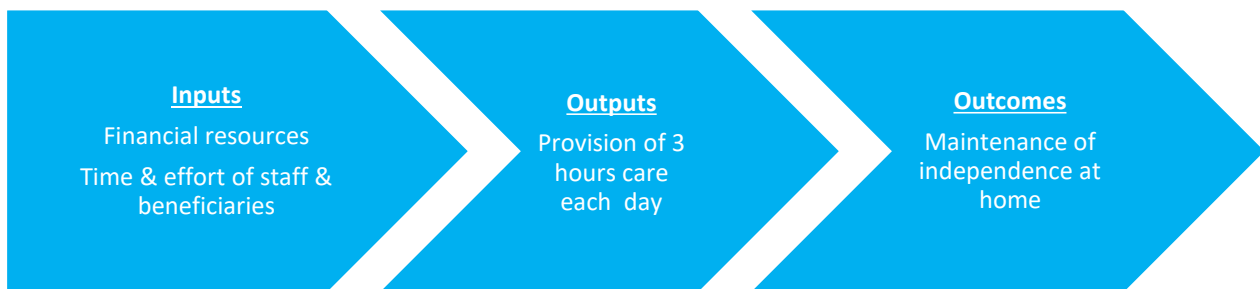
The guiding principles ensure that *how* value is accounted for remains paramount. To ensure a consistent approach is used, chains of change are constructed for each material stakeholder explaining the cause and effect relationships that ultimately create measurable outcomes. These chains of change create the overall Value Map (attached separately as appendix 6), and these stories of change are equally as important as the final result of analysis. In fact, SROI is best thought of as a story of change with both quantitative and qualitative evidence attached to it. Figure 2 summarises the different elements for each chain of change included within the SROI analysis (before the impact of outcomes is calculated).

Figure 2 – Outline of the Chain of Change



SROI is an outcomes-measurement approach, and only when outcomes are measured is it possible to understand if meaningful changes are happening for stakeholders. To illustrate this idea, figure 3 displays a brief theory of change for a domiciliary care programme to assist people to remain in their own home - only by measuring the final outcome, is it possible to understand the impact of the care-programme.

Figure 3 - Example Chain of Change –



As will be discussed at the point of analysis, SROI also incorporates accepted accounting principles such as deadweight and attribution to measure the final impact of activities that are a result of each particular activity or intervention. Importantly, SROI can capture positive and negative changes, and where appropriate these can also be projected forwards to reflect the longer-term nature of some impacts. Any projected impacts are appropriately discounted using the Treasury’s discount rate (currently 3.5%). The formula used to calculate the final SROI is;

$$\text{SROI} = \frac{\text{Net present value of benefits}}{\text{Value of inputs}}$$

So, a result of £4:1 indicates that for each £1 invested, £4 of social value is created

Overall, SROI is able to create an understanding of the value of activities relative to the costs of creating them. It is not intended to be a reflection of market values, rather it is a means to provide a voice to those material stakeholders and outcomes that have been traditionally marginalised or ignored. Only by measuring impacts are organisations able to not only demonstrate their impacts,

but also importantly improve them. This thereby strengthens accountability to those to which they are responsible, which in the third sector is fundamentally the key beneficiaries of services.

Case Study

Client A is 36 years old and was made homeless after having to leave his private rental due to his troubled lifestyle and substance misuse. He had many underlying issues having grown up in an abusive household before being taken into care when young.

Having lived at Noddfa Hostel for some months, and through the support of the staff, some positive changes were made in his life. He was better able to manage his finances and was able to stick to a payment plan to clear arrears. Through the support at the hostel he also developed some basic living skills including cleaning and cooking.

The staff also referred him to other services to support with alcoholism and dealing with anxiety and depression.

He is now back in full time employment and has excellent work ethic. He is able to maintain his own accommodation to an exceptional standard and manages his own finances.

However, he still struggles to move on and still needs some on-going support.

3.0 Stakeholder Engagement & Scope of the Analysis

Including stakeholders is the fundamental requirement of SROI. Without the involvement of key stakeholders, there is no validity in the results – only through active engagement can we understand actual or forecasted changes in their lives. Only then can SROI value those that matter most.

In order to understand what is important for an analysis, the concept of materiality is employed. This concept is also used in conventional accounting and means that SROI focuses on the most important stakeholders, and their most important outcomes, based on the concepts of relevance and significance. The former identifies if an outcome is important to stakeholders, and the latter identifies the relative value of changes. Initially, for the evaluation of the Noddfa Hostel, a range of stakeholders were identified as either having an effect on or being affected by the project – table 1 highlights each stakeholder, identifying if they were considered

Materiality

If a stakeholder or an outcome is both relevant & significant, it is material to the analysis. Being important to stakeholders and of significant value, means that if the issue was excluded from analysis it would considerably affect the result.

Table 1 – Stakeholder List & Materiality

Stakeholder	Material stakeholder?	Explanation
Tenants	Yes	As key beneficiaries of the service these are the most important stakeholders and some changes experienced will be both relevant and significant.
Tenant who have moved on	Yes	As key beneficiaries of the service these are the most important stakeholders and some changes experienced will be both relevant and significant.
Family members	No	Family members are likely to experience some positive impact and changes experienced will be both relevant and significant. However, families did not take part in this analysis.
North Wales Housing Association	Yes	Provides material inputs of finance, skills and other resources to ensure the strategic direction of the project, so must therefore be included.
Local Authorities	No	Some of the changes are likely to have an impact on the Local Authority; however, this was beyond the scope of this report.
Betsi Cadwaladr University Health Board	No	Many experienced positive changes in their mental health. The potential impact on health will be considered but is unlikely to be significant.

Department of Work and Pensions	No	As the aim of their work is to get individuals to develop more skills to become independent and to support to create better skilled, better qualified and better confident individuals it is likely to have an impact on supporting people into employment or maintain in employment. However, they will not be included in this report as it is beyond the scope of this analysis.
Criminal Justice System	No	Some of the changes are likely to have an impact on the Criminal Justice Department; however, this was beyond the scope of this report.

Having identified the material stakeholders for analysis, table 2 highlights the size of the populations, the sample size engaged with and the method of engagement.

Initial discussions were held with the Management team to understand the scope and potential list of stakeholders. Further activities were held as part of the Social Value Cymru project to do further stakeholder mapping and to start to identify any potential characteristics that can possibly provide some insights in the results.

Engaging with the individuals themselves is essential so ensure we adhere to the principle 1 of SROI which is involving stakeholders and then through them we can get a better understanding about the outcomes. All qualitative data was gathered by either a focus group or one to one interview depending on the appropriate method. There are different ways of engaging with

stakeholders and gathering qualitative data, and each option offers different advantages and disadvantages.

Although a great deal of thought was given to the questions being asked to the individuals about their experiences, in order to adhere to the SROI principles and to understand what had changed, a loosely structured approach was taken that allowed them to tell us what happened as a result of the support given by the organisation. The added flexibility of semi-structured probing questions, such as asking people what they now do differently because of the change they had experienced, how long they believe the change will last, and importantly if they had any negative experiences allowed them to tell their story from their own perspective. The focus groups lasted approx. 60 minutes. The participants were extremely open and was eager to speak about their experiences. They were also able to provide an insight into what had changed for them, but also what they think might have happened without the service and the possible difference it would have. Questions were also asked around impact such as who else contributed to any changes, and would they have support from somewhere else if this service wasn't available.

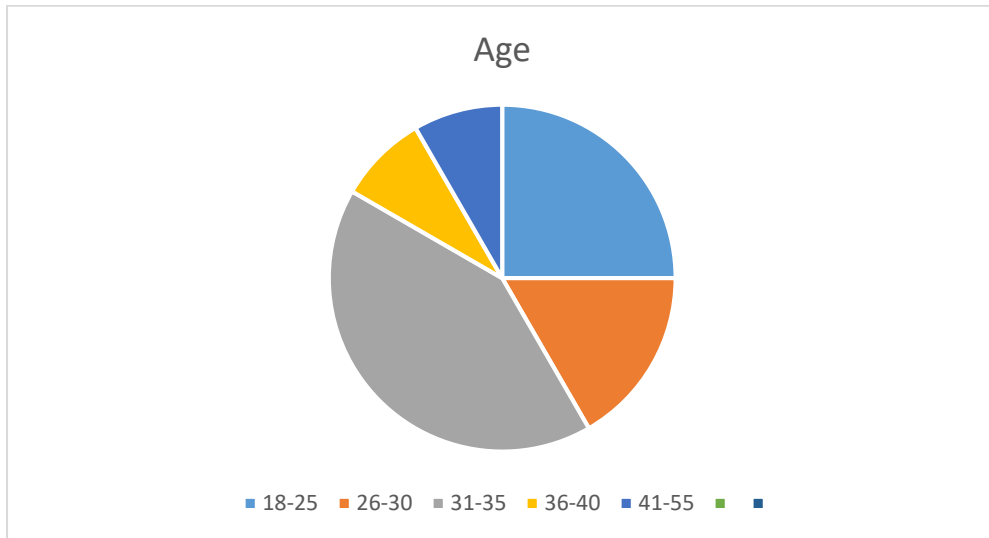
Unlike quantitative methods, qualitative interviewing does not have a statistical method for identifying the relevant number of interviews that must be conducted. Rather, it is important to conduct sufficient number until a point of saturation is reached – this is the stage at which no new information is being revealed.

Potential Subgroups of Stakeholders

It's important to recognise that not all individuals are the same. Understanding if different characteristics have an impact on the data can help us to manage and inform decision

making. Consideration is therefore given to the different characteristics below, which are age and gender. The diagrams below demonstrate the groups represented in this project.

Age



Gender

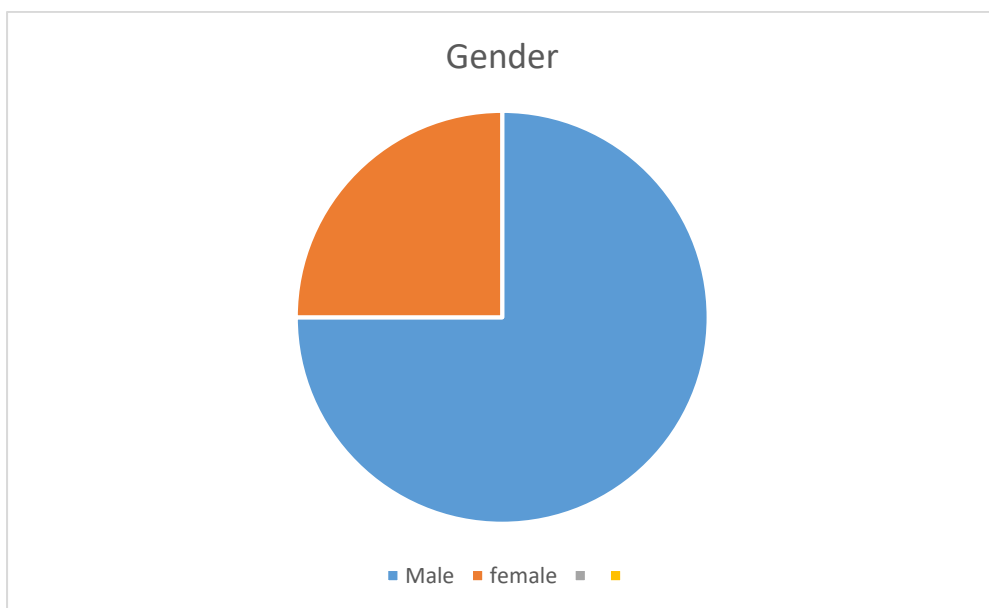


Table 2 provides a summary of the stakeholder engagement process. There are 5 individuals who were representative of the different subgroups identified below as well as 9 of individuals who took part in the survey.

Table 2 – Stakeholder Engagement

Stakeholder	Population size	Method of engagement
Tenants and tenant who move on	20	5 individual interviews at Noddfa with 5 tenants 9 of individuals completed the survey
North Wales Housing Association	1	Many meetings with the Social Value Champion, Project Manager, and staff.

4.0 Project Inputs

This section of the report describes the necessary inputs from multiple stakeholders. Some inputs are financial, whereas others are not – yet where possible inputs are monetised.

Tenants

Depending on the level of financial support they receive, some tenants will contribute towards their housing costs and service charges. This aims to help prepare them for when they move on to independent living. These costs are included in the costs for organisations.

The staff can support them with some practical support such as form filling or attending some appointments. However, there needs to be some willingness to engage and trust by the tenants in order for any change to happen.

During the qualitative engagement, some expressed how they lose some independence as they must stay indoors after a certain time, and there are rules around having visitors, as well as having to share some facilities. There, they must be willing to compromise and to work with the staff and other tenants.

North Wales Housing Association

The financial input is managed by North Wales Housing Association and funded through the Supporting People grant by Conwy County Borough Council, and the financial input for the period was £101,993.

This income pays or the salary of the staff as well as training and overheads, it also considered the rental income, but also service and maintenance costs.

Total monetised inputs

The total inputs for the project over the one-year period have been calculated as £101,993 created by both financial and non-financial inputs from the range of stakeholders above. This information is displayed in table 3 and is compared to the costs per individual supported (whatever the key stakeholder is you can identify the input value per key stakeholder).

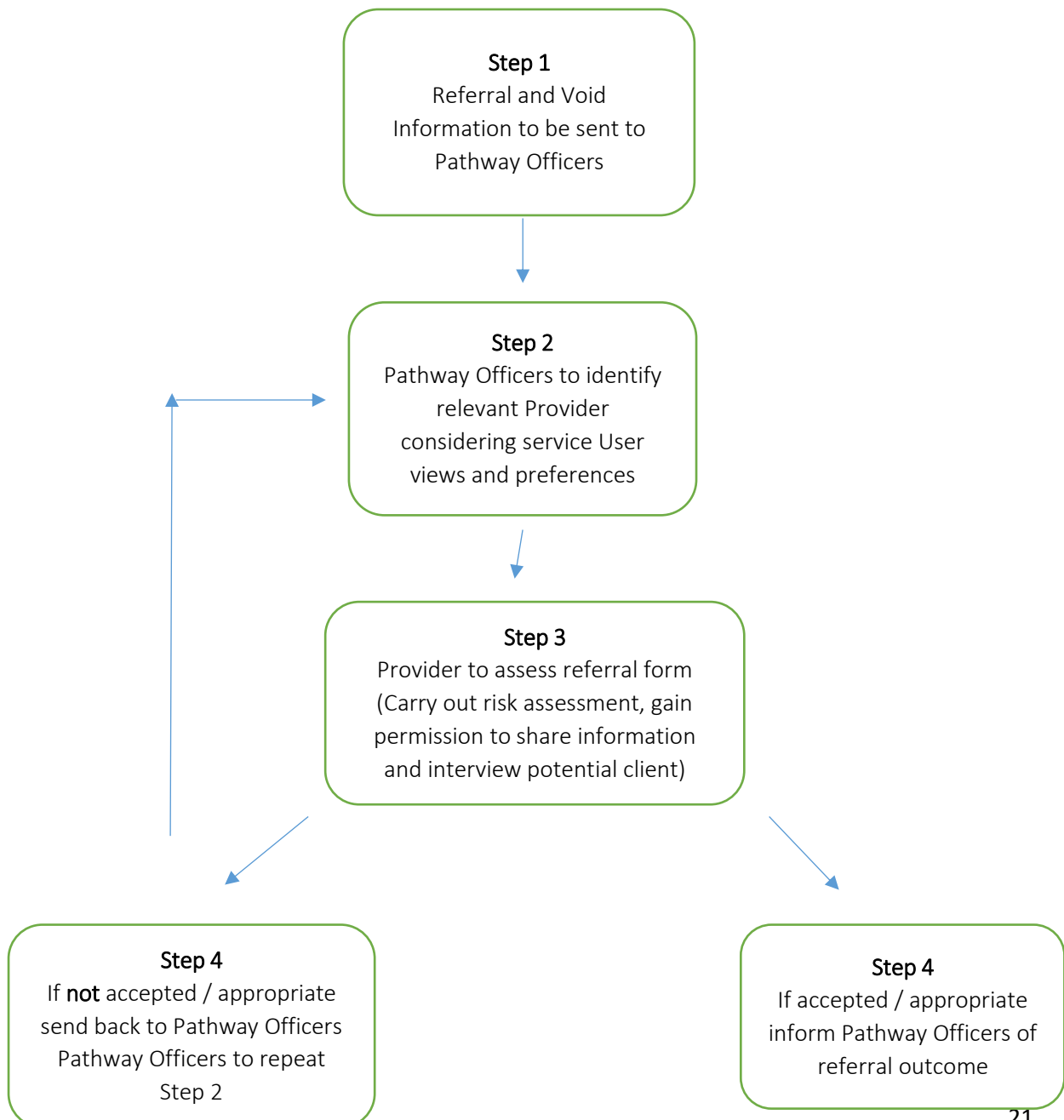
Table 3 – Total Monetised Inputs for Noddfa Hostel

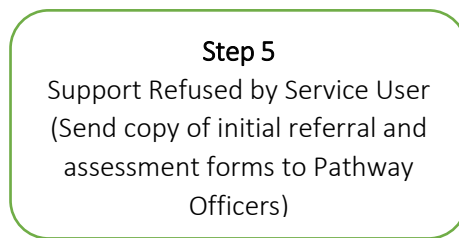
Stakeholder	Financial input	Non-financial input	Cost per individual
Tenants and tenant moving on	N/A	Willingness to engage, trust, time.	N/A
North Wales Housing Association	£101,993	Strategic management, time, expertise	£5,099
Totals	£101,993		

5.0 Outputs, Outcomes & Evidence

The immediate outputs for the Noddfa Hostel are the number tenant living in Noddfa and also the number of tenants still being supported to move on. From 4th April 2018 until 5th April 2019 there were 12 tenants living in Noddfa and 8 people supported to move on. The average number of stay for each tenant is 7 months with the longest stay being 27 months.

Referrals to the service will be made through the Conwy Single Pathway Referral System for supporting people services. The flow chart below shows how the pathway works





Each application will be assessed by a Multi-Agency Panel meeting. If an applicant is accepted, they get an introduction to the Hostel and an explanation of their Licence Agreement. An assessment is then done to help write a tailored Support Plan with the applicant that meets their specific needs and a member of staff will meet with the applicant to discuss your support needs.

They will receive support to be more independent so will have sessions with cooking, shopping and cleaning. They will also be given some basic living skills such as budgeting, and also will help to ensure they can access services such as health and social care. Training will also be given, or they will help them to access education to support them into employment. When they are ready to move on, the staff will help them to take those first steps such as getting furniture, setting up utility bills and to be part of the wider community.

Table 4 below summarises all the stakeholders, their outcomes, and considers their materiality. Consideration is given to what will be included and excluded and can then be seen in the Theory of Change

A full Theory of Change can be seen in Appendix 1, and those that are highlighted in green are those included in the value map. To ensure we are not over claiming, it is only those final four outcomes that are given a value. However, this section will look at each stage to understand the importance of every step in the tenants' journey, and to recognise what are the indicators for these changes. Consideration will also be given to potential negative outcomes.

Stakeholder	Outcomes	Included / Excluded	Materiality test	Indicator
Tenants	Initial reassurance of having somewhere to live	Excluded	This was relevant to most stakeholders; however, this is an intermediate outcome that leads to the well-defined outcomes	
	Improved access to services	Excluded	This was relevant to most stakeholders; however, this is an intermediate outcome that leads to the well-defined outcomes	
	Increased confidence to take part in activities	Excluded	This was relevant to most stakeholders; however, this is an intermediate outcome that leads to the well-defined outcomes	
	Increased confidence to socialise	Excluded	This was relevant to most stakeholders; however, this is an intermediate outcome that leads to the well-defined outcomes.	
	Positive lifestyle changes	Excluded	This was relevant to most stakeholders; however, this is an intermediate outcome that leads to the well-defined outcomes	

Improved life skills such as cooking, budgeting etc.	Excluded	This was relevant for many stakeholders; however, this is an intermediate outcome that leads to the well-defined outcomes	
Feeling more positive towards the future	Excluded	This was relevant to most stakeholders; however, this is an intermediate outcome that leads to the well-defined outcomes	
Reduced stress and anxiety as they have a home and feeling safe	Included	This was relevant to all stakeholders and many explained how the service had helped them	Qualitative: Participants explaining that they feel better and is less anxious Quantitative: Questionnaire results
Reduced isolation	Included	This was relevant to all stakeholders during the qualitative stages, and the quantitative data demonstrated a lot of change	Qualitative: Individuals making changes such as new work positions, taking on more responsibilities, dealing better with their anxieties. Quantitative: Questionnaire results

	Increased independence	Included	This was relevant to all stakeholders during the qualitative stages, and the quantitative data demonstrated a lot of change	Qualitative: Participants felt more ready to look for work. Some had moved into employment. Quantitative: Questionnaire results
	Improved physical health	Included	This was relevant to all stakeholders during the qualitative stages, and the quantitative data demonstrated a lot of change	Qualitative: Through the qualitative work many spoke of their recovery and maintaining recovery. Quantitative: Questionnaire results

Material Outcomes for each stakeholder

5.1 Tenants

Outcome 1 – reduced anxiety and stress as they have a home and feel safe

Many of the tenants had been living in other hostels in the past, but said they felt they had less structure whilst there and therefore for some they felt Noddfa was a safer environment. By having support to access services, fill out forms and help develop practical skills that they needed, some felt there was a positive change in their anxiety and stress levels.

Although 80% had experienced a positive result here, many explained that they had only some change and therefore the average distance travelled was 42%. This suggests that for some, they will need more support and a longer period of support before they will see real change here. The same applied to the tenant who had moved on. It is understandable that the transition to independent living will again cause some stress and anxiety, and therefore the support from Noddfa staff for this transition was seen as important.

One tenant explained how devastated he was when he came to the hostel initially having lost his home. He explained how it took a long time to start to develop trust but was feeling better as he developed trust in the service and was more willing to engage. As with one of the case studies in the report, for many tenants, living in the hostel has helped to ensure they have access to the appropriate services.

Outcome 2 – Reduced isolation

Referrals are made to the hostel from various places including CAIS, Local Authority, Criminal Justice system and others. The service is for homeless people who are vulnerable and needs support. Many were estranged from family members and were therefore isolated within their communities.

In the quantitative data, 60% had experienced change here but some had experienced no change or only a little or some change. Some of the tenants did explain that they did isolate themselves from others tenant and felt that not having visitors made them feel isolated and lonely. The same was true for those moving on. Although some had a lot of change, others still felt very isolated and therefore further support might be needed to transition into the community where they live.

Outcome 3 – Increased independence

One of the main roles of the staff is to help the tenants to become more able to live independently. They will support to improve skills with cooking, cleaning, budgeting, but also support them to access other training and education also to develop their skills.

All the tenants who had moved on and taken part in the questionnaire said they had experienced a lot of change here, which suggests that the skills they had gained while at the hostel had helped with their transition. For those who were still tenants, some felt they had only had some change here. This might be based on how long they had lived there, but also their reluctant perhaps to make changes. Many of the courses are voluntary, so their input is also vital.

Outcome 4 – Physical health

Positive changes in their physical was reported during the qualitative interviews, and also indicated in the questionnaires. Many had been rough sleeping previously, and some also had history with substance misuse. The staff supported them with skills such as cooking and also encouraged physical exercises. Many had taken part in sporting events as well as activities with the Prince's Trust.

Potential Negative Outcomes

All tenants who took part in interviews were asked about any negative changes or were there anything that the service could improve or learn from.

Dependency

It was apparent that some were dependant on the staff and on the support. One had stayed for a long time, and another had been a few years previously but had returned. This suggests that there are barriers for some to moving on and further insights might be available when moving on to managing social value.

Increased anxiety and stress for some

Many commented on how concerned they were about sharing a kitchen and other facilities, and it was apparent that for some, this caused increased stress and anxiety levels. Some also felt restricted but did appreciate that it was one of the terms of living at the hostel.

Less independence

Some felt restricted as they couldn't have visitors and also had to be in the home by a certain time or would be penalised. The staff explained that there were zero tolerance to alcohol and drugs and ensuring tight restrictions helped individuals towards recovery and getting life back on track.

Consideration can be given as to the different levels of restrictions based on the length of their stay and based on behaviours. Reducing some restrictions with time might help them to better manage their interactions with the community, and better prepare them for independent living. However, the support when moving on does also support his transition.

6.0 Valuing Outcomes

The difference between using SROI and other frameworks is that it places a monetary value on outcomes. By using monetisation, it allows us to not only give the story of what's changed in people's lives, but also allows us to put a value on those changes so we can compare costs and outcomes. This is not about putting a price on everything, but it allows us to demonstrate what impact the service has on other stakeholders, and the possible savings an intervention can create. It also goes beyond measuring and allows organisations to manage their activities to ensure the best possible impact is created for those that matter to them the most: the tenants of Noddfa Hostel.

Impacts of NWA

SROI analyses use accepted accounting principles to calculate the overall impact of activities.

Taking into account any deadweight, attribution, displacement and drop-off factors, means that

SROI analyses will avoid over-claiming value that is not a result of Noddfa Hostel. The boxes below

outline each of the impact factors.

Deadweight

This asks the likelihood an outcome could have occurred without an activity taking place. So for example if it is believed that there was a 10% chance that someone could have found work without a training programme, the value of that outcome is reduced by 10%.

Attribution

Considers what proportion of an outcome is created by other organisations/individuals, so can therefore not be legitimately claimed by the SROI analysis. For example, if external agencies also support someone receiving training, that organisation is responsible for creating some of the value, not just the training organisation.

Displacement

This asks if an outcome displaced similar outcomes elsewhere. This is not always a necessary impact measure yet must be considered. For example, if a project reduces criminal activity in one area, which results in increases in other locations, there is a need to consider the displaced outcomes.

Drop-off

Outcomes projected for more than one year must consider the drop-off rate. This is the rate at which the value attributable to the focus of the SROI analysis reduces. For example, an individual who gains employment training may in the first year of employment attribute all of the value to the training organisation, but as they progress in their career less value belongs to the initial initiative owing to their new experiences.

Tenants

There are a range of approaches to monetise outcomes including using financial proxies – that is using a market-based alternative as an approximation of a stakeholder’s value. However, some would argue that these do not represent the value that the particular stakeholder with experience of the change would attribute to it. Therefore, where possible, this analysis has applied the first SROI principle to involve stakeholders as much as possible. In the questionnaires, following an understanding of the changes and the outcomes gained, tenants were asked to rank and rate their outcomes. Therefore, they were asked to put their outcomes in order of importance, and then to rate their importance out of 10. This is where we stopped with their involvement in valuing their outcomes and when it comes to placing a monetary value of their outcomes it was decided to use other techniques other than the value game. The value game identifies their material outcomes, and asks them to prioritise, and subsequently value them against a list of goods or services available on the market to purchase. However, it was decided that using well-being valuations was more appropriate for this analysis.

The weighting of the values is summarised below;

Table 5 – Weighting of the outcomes

Stakeholder group	Outcomes	Average Weighting
Segment A – Tenants living in Noddfa Hostel	Reduced stress and anxiety	9
	Improved independence	9
	Improved physical health	9
	Reduced isolation	8
	Reduced isolation	10

Segment B – Tenants who have moved on to independent living.	Improved independence	10
	Reduced stress and anxiety	8
	Improved physical health	8

The tenants in Noddfa Hostel and tenants who had moved on had ranked their outcomes differently which indicates the differences in results based on how long they had been supported. For Tenants still in the hostel, most of the outcome were valued the same, with reduced isolation slightly lower. That might reflect how some felt crowded at time and needed more of their own space. Some had been in the hostel for a long time, others were quite new to the hostel and were therefore still adjusting.

Tenants who had moved on had placed a higher value on Improved Independence and Reduced Isolation. This indicates that the support they value after beginning to live independently is valued greatly to help them with those first steps, similar as some might expect from a family member perhaps.

The valuations for the outcomes identified to the individuals were taken from HACT’S Social Value Calculator (version 4)² that identifies a range of well-being valuations. However, the data from the questionnaire results and provided a distance travelled on how much change had been experienced, therefore a proportion of the wellbeing valuations were used accordingly.

Much consideration was given as to what best well-being valuation reflected the changes identified by the stakeholders. Before living at the hostel many had been homeless or were ‘sofa surfing’ and therefore the well-being evaluation from HACT social value calculator – Moving

² Community investment and homelessness values from the Social Value Bank, HACT and Simetrica (www.hact.org.uk / www.simetrica.co.uk). Source: www.socialvaluebank.org. License: Creative Commons Attribution-NonCommercial-NoDerivatives license(http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB)

from Rough Sleeping to Temporary accommodation was used which has a value of £16,448 per individual. This value was used as our anchor value for current tenants for the outcome of 'reduced stress and anxiety'. For tenants who had moved away from the hostel the HACT well-being valuation for moving from temporary accommodation to secure housing was used, valued at £8,019 per individual. Following the principle of not over-claiming, we only took the amount of value that represents the amount of change. So, for the tenants, for those with a positive change, there was a distance travelled of 42.5%, and therefore that percentage of the value was used in the value map, which gave a value of £7,027.

This value is our anchor value, and from here the weighting of the outcomes was then used.

Consideration was given to the limitations of using these values as they may not be representative of all stakeholders. So, for example some have not moved into secure housing. However, some of the alternative values, such as the HACT well-being valuation for Relief from Stress and Anxiety is values at £36,766 and was considered too high. Following the principle of not claiming, the values was used, but taken into account the weighting.

Case Study

Client B had been supported by the Community Mental Health Team to deal to support him with living with sever anxiety and also alcohol misuse. When he first came to the hostel he didn't feel safe and struggled with his anxiety, but over time he became better able to manage and made a positive progress. At the time of writing the case study, he was engaging positively with services and had been sober for 85 days.

Table 6 – Examples of Outcome Valuations

Outcome	Weighting	Identified value	Value of average distance travelled	Quantity of stakeholders experiencing outcome
Segment A – Tenants Living in Noddfa Hostel Outcome Reduced stress and anxiety	8.5	Used HACT well-being valuation, Moving from Rough Sleeping to temporary accommodation valued at £16,448 for unknown area. Took 42.5 % of this value based on the distance travelled, therefore £7,027 per individual.	Taking the lowest point for our questionnaire scale – asking individuals to rate against measures (not applicable / no change =0%, little change = 25%, some change = 50%, quite a lot of change = 75%, a lot of change = 100%). The average movement was equals 42.5%. Although based on a sample size the results were in line with the tone of interview comments – this was cited as an extremely significant change.	From the data in second review, 80% had experienced change here, so 10 individuals.
Segment A – Tenants Living in Noddfa Hostel Outcome Reduced isolation	7	Used HACT well-being valuation, Moving from Rough Sleeping to temporary accommodation valued at £16,448 for unknown area was used for the anchor value of Reduced Stress and Anxiety. Took 42.5% of this value based on the distance travelled, therefore £7,027 per individual. However, as this was valued at 8, lower than the value of ‘reduced stress and anxiety’ at 9 and therefore 80% of the value was used. Therefore £6,246 per individual for this change.	Taking the lowest point for our questionnaire scale – asking individuals to rate against measures (not applicable / no change =0%, little change = 25%, some change = 50%, quite a lot of change = 75%, a lot of change = 100%). The average movement was equals 54%.	From the data in second review, 60% had experienced change here, so 8 individuals.

Segment B- Individuals moved on to independent living but still supported. Outcome Improved independence	Used HACT well-being valuation, Moving from temporary accommodation to secure housing valued at £8,019 for unknown area was used for the anchor Reduced stress and anxiety. Took 54% of this value based on the distance travelled, therefore £4,330 per individual. However, as this was valued at 10, higher than the value of 'reduced stress and anxiety' at 8 and therefore % of the value was used. Value per individual was therefore £7,216	Taking the lowest point for our questionnaire scale – asking individuals to rate against measures (not applicable / no change =0%, little change = 25%, some change = 50%, quite a lot of change = 75%, a lot of change = 100%). The average movement was equals 63%. Although based on a sample size the results were in line with the tone of interview comments – this was cited as an extremely significant change.	From the data in second review, 70% had experienced change here, so 6 individuals.
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7.0 Establishing Impact

In order to assess the overall value of the Noddfa Hostel outcomes we need to establish how much is specifically a result of the project. SROI applies accepted accounting principles to discount the value accordingly, by asking;

- What would have happened anyway (deadweight)?
- What is the contribution of others (attribution)?
- Have the activities displaced value from elsewhere (displacement)?
- If an outcome is projected to last more than 1 year, what is the rate at which value created by a project reduces over future years (drop-off)?

Applying these four measures creates an understanding of the total net value of the outcomes and helps to abide by the principle not to over-claim.

Deadweight

Deadweight allows us to consider what would happen if the service wasn't available. There is always a possibility that the individuals would have received the same outcomes through another activity or by having support elsewhere.

All stakeholders were asked during the stakeholder engagement process and in the quantitative data collection to consider what could have happened anyway.

All tenants will be referred through the Single Pathway process, and therefore it is possible that if they weren't referred to Noddfa they could have been referred to another hostel or provider. However, in the area there seems to be only Noddfa Hostel that offers Mental Health provision,

and therefore for the outcome recognised here there might be a low possibility that the same changes could have occurred.

To have a consistent approach, the different levels of deadweight and attribution will be considered using the rates below;

Low = 30%

Medium = 60%

High = 90%

Through the interviews with tenants and other stakeholders, and the results of the questionnaires, a reasonable estimate is given in Table 7 below.

Table 7 – Deadweight

Stakeholder	Outcome	Deadweight	Justification
Tenants	Reduced stress and anxiety	30%	Many of the tenants explained how they had been in other hostels previously, but felt that this more holistic support allowed to identify more changes in their lives. However, consideration must be given that other organisations could offer a similar support.
Tenants	Increased independence	60%	Many of the tenants explained how they had been in other hostels previously, but felt that this more holistic support allowed to identify more changes in their lives. However, it is likely that if they weren't referred here that another referral could have been made through the pathway which could have helped to improve their independence. A higher rate is given to this outcome to avoid over-claiming.
Tenants who has moved on	All outcomes	30%	In the questionnaires, the results did vary. There is a chance that any changes could have happened without the support from the hostel, however, a low attribution rate is used here.

Attribution

Attribution allows us to recognise the contribution of others towards achieving these outcomes.

There is always a possibility that others will contribute towards any changes in people's lives, such as family members or other organisations. Attribution allows us to see how much of the change happens because of the support of this service.

The tenants that were supported in the hostel felt lonely and isolated when referred. Many didn't have family support and had complex lives. Although many other services have also helped to make changes in their lives since being at the hostel, the tenants are unlikely to have accessed these supports without the referral from the hostel.

However, a low attribution rate is used as there is a small possibility that others could also have helped with these changes.

Displacement

We need to consider if the outcomes displace other outcomes elsewhere. For example, if we deal with criminal activity in one street, have we just moved the problem elsewhere? The hostel does not displace any other service.

Duration & Drop-off

As this programme is evaluated as part of the Social Value Cymru project, the evaluation considered 12 months of value. However, for those who were moving on consideration was given to include support whilst a tenant as well as 12 months afterwards. Being able to still receive some support after leaving the hostel supports individuals with this transition, and therefore this was included. However, as they are not in the hostel, some drop-off rate was needed for this segment of stakeholders, and therefore a 20% rate was included.

SROI Results

This section of the report presents the overall results of the SROI analysis of the Noddfa Hostel in Colwyn Bay, north Wales. Underpinning these results are the seven SROI principles which have carefully been applied to each area of this analysis. The results demonstrate the positive contribution that Noddfa Hostel makes to the lives of the tenants through the dedication of the staff to create a positive change in their lives.

By supporting the tenants to develop their skills, increase their confidence and prepare them for independent living, individuals demonstrate some positive changes in their lives. For those who have left the hostel, there was value as well in supporting individuals to move on, to support them with those initial steps. Some individuals still had a long journey before going into full time employment, but with the support they had seen some positive changes and was able to volunteer or access education.

The results in Table 8 indicate a positive return for participants who were supported in Noddfa Hostel. This is based on current data but also secondary research.

Table 7 - Present Value Created per tenant

Stakeholder	Average value for each individual involved
Tenants	£5,509

The overall results in Table 8 highlight the total value created, the total present value, the net present value, and ultimately the SROI ratio.

Table 8 – SROI Headline Results

Total value created	£
Total present value	£212,189
Investment value	£101,993
Net present value (present value minus investment)	£110,196
Social Return on Investment	<u>£2.08:1</u>

The result of £2.08:1 indicates that for each £1 of value invested in Noddfa hostel, a total of £2.08 of value is created.

8.0 Sensitivity Analysis

The results demonstrate significant value created by the Noddfa Hostel by North Wales Housing Association and is based on application of the principles of the SROI framework. Although there are inherent assumptions within this analysis, consistent application of the principle not to over-claim leads to the potential under-valuing of some material outcomes based on issues such as duration of impact.

Conducting sensitivity analysis is designed to assess any assumptions that were included in the analysis. Testing one variable at a time such as quantity, duration, deadweight or drop-off allows for any issues that have a significant impact on the result to be identified. If any issue is deemed to have a material impact, this assumption should be both carefully considered and managed going forward. To test the assumptions within this analysis, a range of issues were altered substantially to appreciate their impact. A summary of the results is presented in table 9.

Although some of the sensitivity tests indicate changes to the result, owing to the scale of the amendments made and the verification of assumptions and data with stakeholders, the results still indicate that if a single variable were significantly altered, the overall results remain positive.

As seen in section 8, different steps were taken to support the assumptions for the deadweight and attribution percentages. If all of the stakeholder segments were to have a 90% deadweight percentage, the results still demonstrated a positive result of £1.21 for every £1 invested. From the sensitivity analysis table on the following page, the social value evaluation can be estimated to be between £1.06 and up to £2.40 for every £1 invested. The assumptions used in the value map estimate the social value is £2.08.

Table 9 – Sensitivity Analysis Summary

Variable	Current assumption	Revised assumption	Revised SROI	Proportion of change
Segment A – Current tenants of Noddfa Outcome –Reduced stress and anxiety	Quantity: 10	Quantity: 5	1.92	7.6%
	Deadweight: 30%	Deadweight:60%	1.94	6.7%
	Attribution: 30%	Attribution: 90%	1.80	13.4%
	Value: £7,027	Value: £3,500	1.92	7.6%
Segment A– Current tenants of Noddfa Outcome – Improved Independence	Quantity: 8	Quantity: 4	2.01	3.3%
	Deadweight: 60%	Deadweight: 30%	2.19	4.8%
	Value: £7,027	Value: £2,500	1.98	4.8%
Segment C – Tenants moving on Outcome – Reduced Isolation	Quantity: 6	Quantity: 3	1.92	7.6%
	Attribution: 30%	Attribution: 90%	1.80	13.4%

9.0 Conclusion

This report has demonstrated that Noddfa Hostel, North Wales Housing Association has created over £200,000 of value and for each £1 invested, £2.08 of value is created;

What that means in practical terms is that people's lives have been positively changed.

Noddfa Hostel provides a service for tenants and those who have moved on from the hostel to support them with those initial steps of living independently. The tenants have various difficulties when they first access the service including mental health concerns, lack of skills, and also trying control substance misuse. Many of the tenants explained about their difficulties during the qualitative engagement, and how the support had helped them to put them on the "right track."

Key finding includes;

- For every £1 invested there £2.08 of social value created
- Participants demonstrated some positive changes in both their mental and physical health, as well as a reduction in their isolation.
- Many felt abler to live independently, or were more hopeful towards this in the future and were better able to manage finances and had develop living skills such as cleaning and coking.
- The findings are aligned with that needed for a 'Heathier Wales' in the Well-being of Future Generations (Wales) Act, "A society in which people's physical and mental well-being is maximized and in which choices and behaviors that benefit future health are understood."

10.0 Recommendations

- 1) **Data collection** – in order to realise how much change and impact the programme is having on all stakeholders we need data to understand if there is any change, but also how much change, and whether there are differences in the needs of different individuals. It is therefore recommended that any continuation of this scheme, needs to **invest the time and finances into ensuring suitable systems and processes are in place to measure social value**, and also to extend this to include other important stakeholders. When such data is collected over a period of time, the potential to use the resultant information to inform decision making is possible. Ultimately, this means that value is not just being measured, but it is being managed to improve the impacts of the project. North Wales Housing Association are part of the north Wales Social Value Cymru project, and therefore will be moving on to having their own impact management system and putting these changes in place.
- 2) **Managing negative outcomes** – it's important that NWAHA also looks at any potential negative outcomes and use this information to inform their decision making. As discussed above, the impact management system will support them to do this.
- 3) **Transition from the hostel to independent living** – consideration can be given as to how the hostel might further support this transition. NWAHA are working with many external partners, and further partnerships might be developing to increase this impact such as wit Aberconwy Mind.

11.0 Appendices

