



Final Evaluation Cyrenians Cymru

A report prepared by Wavehill for Cyrenians
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Executive Summary

Introduction and Background

Wavehill was commissioned in February 2012 to undertake a final evaluation of the Cyrenians Cymru ESF funded Employment and Training project. Cyrenians Cymru awarded funding in March 2009 under ESF Priority 2 for the Swansea Bay area. The project has two elements; the first, the CET Employment Support Agency, aims to provide the structured support of severely marginalised people to enable 950 of them to get into work. The second, the CET Vocational Training Project (VTP), provides training and support to these same people enabling skills, knowledge and confidence outcomes which helps further education, training and employment outcomes.

The Cyrenians model has four phases or elements; firstly it reaches out to homeless people, people with alcohol and drug misuse problems, and those with chaotic and unsettled lifestyles through its community centre. Here people are identified as facing significant barriers to training and employment and helped to address these barriers, along with health and life skills support. They are then offered access to the menu of accredited training at Dragon Arts and Learning. The participants can then progress into work experience, via the Res-a-Rec recycling project or CELFI retail training centre, or can undertake volunteering. They can then be supported at the Cyrenians Employment Support Agency (CESA) with CV development, employability training and careers advice, and once job-ready, helped into employment and, crucially, helped to maintain work.

The interim evaluation for the project found that the model as a whole is greater than the sum of its parts, referrals are seamless from sub-project to sub-project and the participants understand the progression routes from one project stage to the next. Furthermore, this evaluation also found that by concentrating on serving this client group, Cyrenians has secured a significant number of employment outcomes¹ and is considered an exemplar model for other community employment programmes.

Approach

The interim evaluation undertaken for Cyrenians focussed on reviewing the process of project services on offer. This final evaluation has focussed on assessing the impact of the services delivered, through consultation with participants who secured employment at least 6 months prior to the evaluation following the support offered through Cyrenians. The findings of the research have been analysed alongside the monitoring database held by Cyrenians to enable an estimate of the return (benefit) derived from the support and to inform a cost benefit analysis of the project alongside an assessment of the cost effectiveness of the provision on offer.

Our study team were provided with a list of 429 individuals who had secured employment as an outcome from the Cyrenians project at least 6 months ago. Our research team attempted to contact all individuals up to 5 times to engage them in the research, this process led to 196 participating in our brief survey, equating to almost 46% of the dataset.

¹ Current figures suggest that CESA accounts for nearly a quarter of all ESF-funded employment outcomes in the Swansea region – see <http://wales.gov.uk/docs/wefo/report/120415unitaryauthoritydataen.pdf> for further detail

Project Progress to date

As of December 2011, the number of participants of the project entering employment had reached 697 and the project is reported as being on profile to reach its final project target of 950 participants entering employment by 31st July 2012. These figures highlight that despite working with groups in society considered to be some of the hardest to reach and help, the project manages to secure job outcomes for a significant portion of participants (in excess of 15%) and of a broadly similar level to the figure achieved across ESF Priority 2 .

Participant Consultation – Key Findings:

- Of the 196 respondents who had entered employment at least 6 months ago, 64% (125/196) said they were currently in work.
- 55% of participants who had entered employment following Cyrenians support at least 2 years ago remain in employment.
- When asked whether support from Cyrenians had changed them as a person, the most popular response (36% of respondents) felt the support had given them self-confidence with this proportion rising to 45% of those participants who remain in work.
- 57% of those respondents who remain in employment felt that Cyrenians had changed them as a person, whilst 26% of those in employment specifically (unprompted) cited the role Cyrenians played in helping them to gain employment.

Cost Benefit Analysis

The cost benefit analysis approach has drawn on Cyrenians return data alongside data derived from the participant survey. It has also utilised a series of assumptions and estimates where insufficient data was available, detail of these can be found within the main body of the report.

Cost Effectiveness of the Cyrenians Project

Data obtained through the participant survey and from the Cyrenians participant database has been used to assess the cost effectiveness of Cyrenians provision. Where data was unobtainable, suitable benchmarks and/or assumptions have been applied to the analysis.

Assessing unit cost

As of 31st December 2011 the Cyrenians project has incurred £5,990,548 of eligible costs, whilst 697 participants have entered employment, equating to a unit cost of **£8,594.76** per job secured. On the Progress2Work initiative that figure was £11,600 in 2008-09, a higher cost than the Cyrenians unit cost, without taking into account inflation.

Process of Cost Benefit Analysis for Cyrenians

The figure below presents all of the assumptions and analysis undertaken to enable a cost benefit analysis estimate to be made. The process indicates a cost benefit analysis (or return on investment) of **£1.44 for every £1 spent**. This is likely to be a significant under-estimate as the sustainment of employment is likely to generate further benefit and savings for a number of years to come (as the persistence of the support continues into the future).

Forward Programme

The success of the project (both in terms of the delivery of employment outcomes but also, ratified through the mid-term evaluation and the subsequent cost benefit analysis undertaken as part of the final evaluation) in Swansea has led to Cyrenians, with partners, exploring the possibility for geographically rolling out the model in collaboration with key partners within Wales. Our study team have reviewed the proposed model and have compiled a risk analysis to inform its continued evolution, the risk analysis is available on request from Cyrenians.

Total Project Cost	£5,990,548	
Claimant type	JSA	IB/ESA
DWP annual estimate of exchequer saving	£7,800	£8,330
Multiply by number obtaining job for 12 months	£2,293,200	£1,266,160
Apply 12 months of Housing Benefit & Council Tax Benefit	£777,323 + £90,563 = £868,886	
Wider exchequer benefits – (Health NHS + drug/alcohol addicts)	£269,677 + £57,000 = £326,677	
Wider exchequer benefits – (homeless)	£1,577,094	
Wider exchequer benefits – crime (drug/ alcohol addicts only)	£760,000	
Wider exchequer benefits – crime (remaining participants)	£761,215	
Additional income (less taxes) to those in employment	£3,608,635	
Minus in work costs – childcare & travel to work	£207,836 (commuting) + £22,764 (childcare) = £230,600	
Second year impacts	£3,807,107	
Non- employment related benefits	£480,000	
Additionality	Apply Additionality to Benefits of 41% for yr 1 and into work costs (yr 1 only)	
Total Costs versus Total Benefits	£5,990,548: £8,655,349	
CBA Ratio	£1 : £1.44	

Summary of Findings and Recommendations

The impact evaluation of Cyrenians illustrates that despite working with groups in society considered to be some of the hardest to reach and help, the project manages to secure job outcomes for a significant portion of participants (in excess of 15%) and of a broadly similar level to the figure achieved across ESF Priority 2². Furthermore, the level of sustainment within the project with an estimated 64% of participants still in employment after at least 6 months and 55% of participants still in employment after 2 years is impressive.

The success of the project, as identified within the mid-term evaluation, is derived from the various elements of the project and the way these work effectively together to offer a model of support greater than the sum of its parts. The project therefore offers a good practice model that could potentially be extended across Wales.

The diversity of support on offer through Cyrenians generates challenges in terms of applying a cost benefit or return on investment approach centred on employment as the desired outcome. In reality there are many different outcomes derived from the support on offer including further learning, health outcomes, stability outcomes and a host of other soft outcomes which have been largely overlooked for this analysis.

To enable a more robust cost benefit analysis to be undertaken combined with the capture and valuation of social returns there are a number of elements that the project needs to consider.

- Capturing the nature and type of benefits that a participant is in receipt of when engaging with the project.
- Developing appropriate protocols for the internal sharing of sensitive data to provide an improved understanding of the nature and propensity of key issues associated with participants. (e.g. number of drug and alcohol abusers etc.)
- Developing and applying an appropriate progression/soft outcomes tool to provide a greater insight into how the support affects the participants.
- Capturing, in greater detail, the value attributed to the Cyrenians project through the application of **social return on investment** (or similar approaches) to provide greater understanding of the perceived value of the support amongst participants.

The monitoring and management demands to deliver the above are minimal, but are all clearly pertinent to the nature of support offered and would therefore provide Cyrenians with a far clearer understanding of the scale of value generated in society as whilst a cost benefit analysis ratio of £1:£1.44 is a positive return, it is likely to be a conservative estimate.

² When compared to the ESF Leavers Survey

1. Introduction

Wavehill was commissioned in February 2012 to undertake a final evaluation of the Cyrenians Cymru ESF funded Employment and Training project. Cyrenians Cymru was awarded funding in March 2009 under ESF Priority 2 for the Swansea Bay area. Priority 2 aims to increase employment and tackle economic inactivity. The programme is divided into two projects; the first, the CET Employment Support Agency, aims to provide the structured support of severely marginalised people to enable 950 of them to get into work. The second, the CET Vocational Training Project (VTP), provides training and support to these same people enabling skills, knowledge and confidence outcomes which helps further education, training and employment outcomes.

In bidding for the Cyrenians employment project, there was a hope to secure 5 years of funding; however Cyrenians were offered a 3 year programme (to December 2011) with consideration of a project extension based on successful delivery over the three year period. The project recently secured a 6-month extension to July 2012 and is continuing to deliver to profile. The project team are now seeking to secure a further extension to the project to the end of 2013.

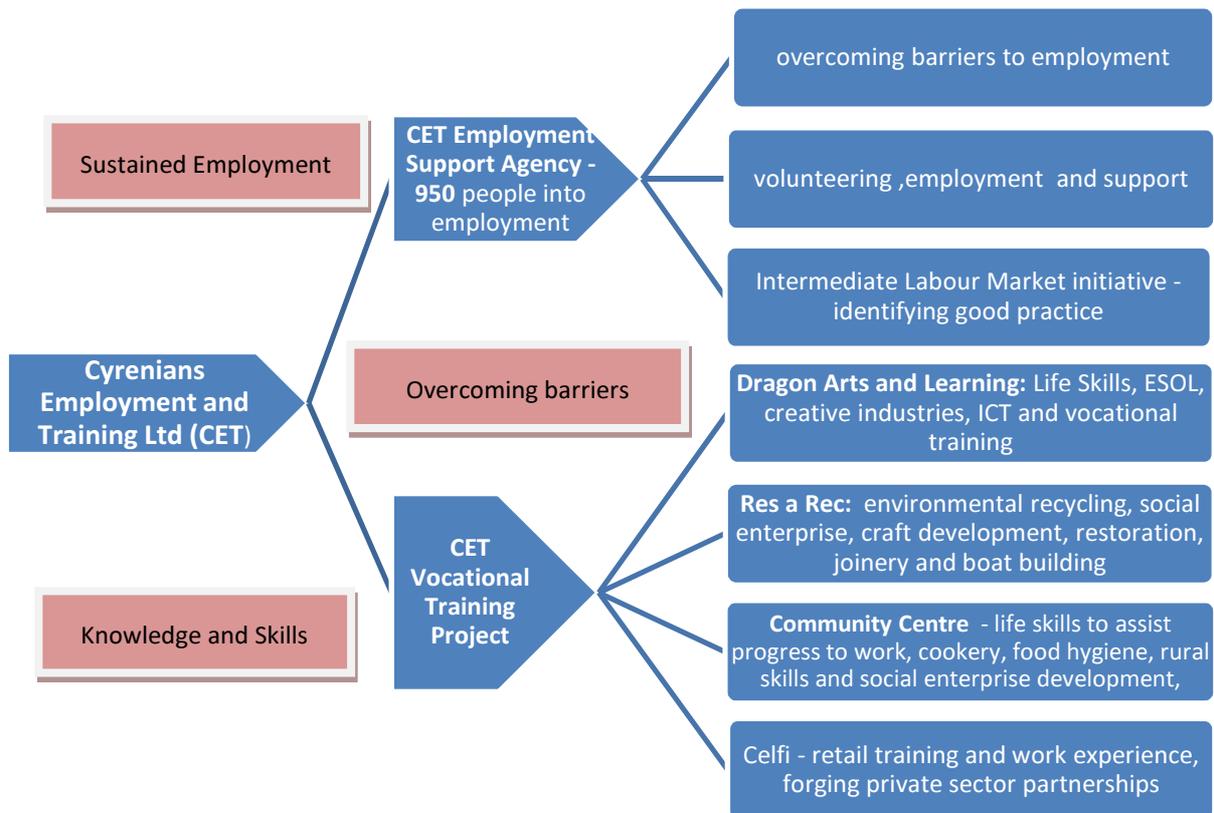
Delivery Model

The Cyrenians model has four phases or elements; firstly it reaches out to homeless people, people with alcohol and drug misuse problems, and those with chaotic and unsettled lifestyles through its community centre. Here people are identified as facing significant barriers to training and employment and helped to address these barriers, along with health and life skills support. They are then offered access to the menu of accredited training at Dragon Arts and Learning. The participants can then progress into work experience, via the Res-a-Rec recycling project or CELFI retail training centre, or can undertake volunteering. They can then be supported at the Cyrenians Employment Support Agency (CESA) with CV development, employability training and careers advice, and once job-ready helped into employment and, crucially, helped to maintain work. It is reported that, through its extensive network of contacts and growing profile in Swansea Bay, CESA finds around 40 jobs a month in the Swansea Bay area for their clients.

The interim evaluation for the project found that the model as a whole is greater than the sum of its parts, referrals are seamless from sub-project to sub-project and the participants understand the progression routes from one project stage to the next. Furthermore, this evaluation also found that the CESA, by concentrating on serving this client group, has secured a significant number of employment outcomes³ and is considered an exemplar model for other community employment programmes. Focussing solely on this client group makes the model highly effective.

³ Current figures suggest that CESA accounts for nearly a quarter of all ESF-funded employment outcomes in the Swansea region – see <http://wales.gov.uk/docs/wefo/report/120415unitaryauthoritydataen.pdf> for further detail

The links between each element of the project are outlined in the diagram below:



The project recently secured formal sign-off in relation to the Project Inspection and Verification visits, undertaken by the Welsh European Funding Office thereby confirming that monitoring, record collation and accounting systems and process are all of an approved standard.

1.1. Evaluation Approach

The interim evaluation undertaken for Cyrenians focussed on reviewing the process of project services on offer. This final evaluation has focussed on assessing the impact of the services delivered, through consultation with participants who secured employment at least 6 months previous to the evaluation following the support offered through Cyrenians. The findings of the research have been analysed alongside the monitoring database held by Cyrenians to enable an estimate of the return (benefit) derived from the support and to inform a cost benefit analysis of the project alongside an assessment of the cost effectiveness of the provision on offer.

Our study team were provided with a list of 429 individuals who had secured employment as an outcome from the Cyrenians project at least 6 months ago. Our research team contacted all individuals listed up to 5 times to engage them in the research, this process led to 196 participating in our brief survey, equating to almost 46% of the dataset.

The emphasis on our survey was to be concise, and seeking to capture important information whilst not being too invasive into a participant’s past.

The list of questions asked of participants is set out within Annex 1 of this report.

Cost Benefit Analysis

The cost benefit analysis approach has drawn on Cyrenians return data alongside data derived from the participant survey.

The diagram presented overleaf outlines the process through which the cost effectiveness of a worklessness evaluation can be measured. The extent to which each phase is explored is largely dependent on the availability of evidence and the scale of resource available to scrutinise that evidence. Where evidence is unavailable or there is insufficient resource to scrutinise the information, assumptions based on benchmark data or “ready reckoners” have been used. The assumptions in relation to the process presented overleaf are summarised below.

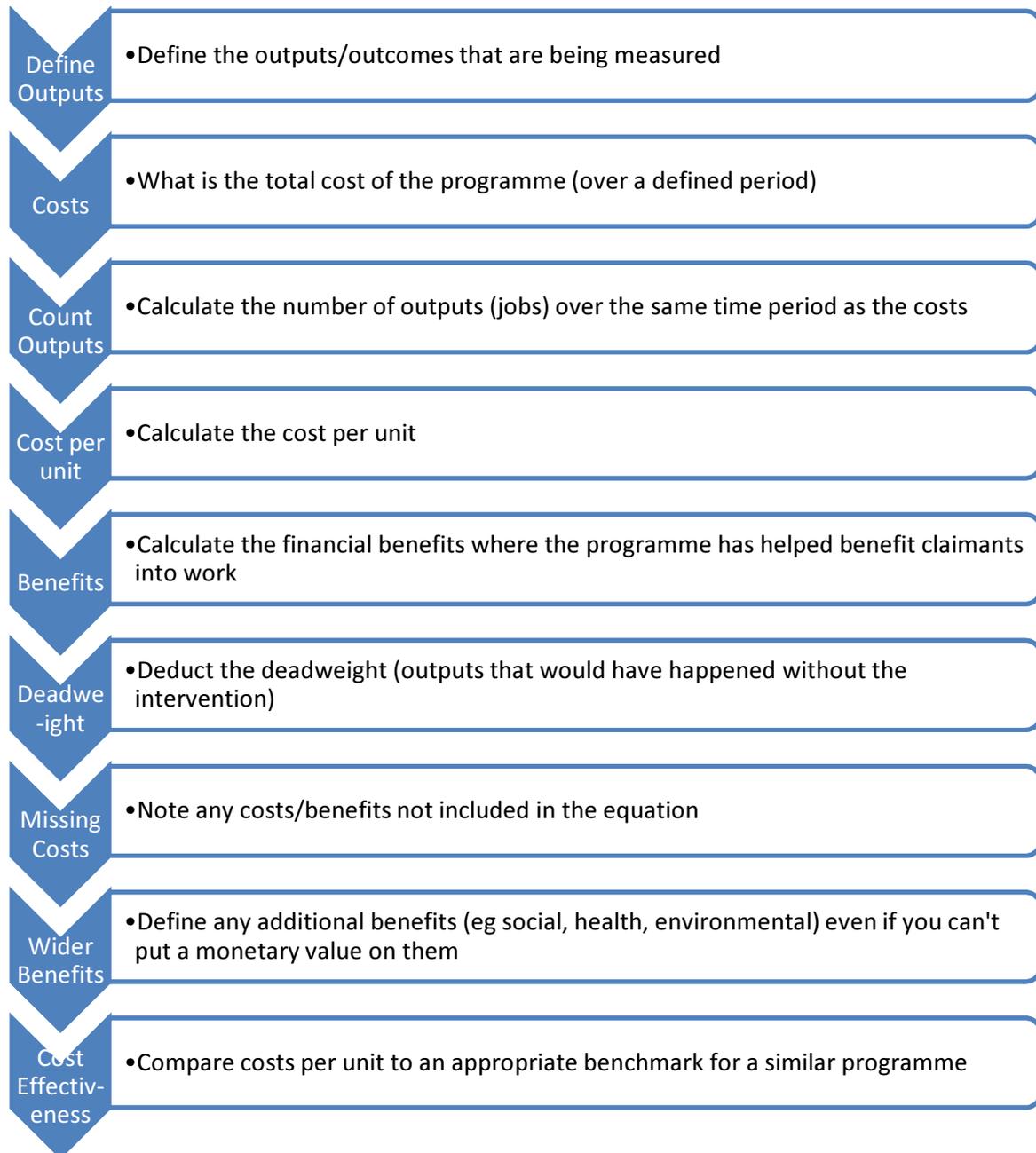
A series of assumptions have been made:

1. That the entire eligible cost associate with Cyrenians Cymru’s employment training initiative is factored into the CBA – reported to be £5.990m.
2. That 12 months in employment would be applied consistently to all participants surveyed that are still in employment in the knowledge that some of the participants surveyed have been in employment for at least 6 months whilst others have been employed for two and half years.
3. That participants reported as economically inactive are claiming IB or ESA.
4. That participants reported as unemployed are claiming JSA.
5. That the proportion of JSA and ESA claimants collecting Housing Benefit reflects the national average.
6. That the proportion claiming council tax benefit reflects the national average proportion of those who claim Housing Benefit.
7. That participants reported as having interventions from the nurse have either alcohol or drug addictions.
8. That those who were previously homeless were as likely to gain employment as everyone else.
9. That, based on management information, 637 of the entire group of participants on the project (regardless of their outcome) were homeless (at one point) and that on average, these participants were homeless for 6 months.
10. That only single parents will require some form of childcare. (no evidence is held of the number of young children amongst the rest of the participant group)
11. That the benefits of the support will, at the very least, last for two years and that the responses of those who had been in employment for two provide an appropriate benchmark in terms of the proportion of participants for whom we are able to apply a persistence rate.
12. That those who received support and advice for drug and alcohol abuse were once addicted to one of these substances.
13. That those aforementioned addicts who had left the project to enter further education were no longer addicted to alcohol or drugs.

The critical elements that are currently unknown are:

14. The scale of benefits that a participant was receiving prior to entering employment.

Figure 1: Main Stages in Carrying out a Cost-Effectiveness Evaluation of a Worklessness Intervention⁴



⁴ Adapted from – Methods for evaluating the cost effectiveness of worklessness interventions, West Midlands Regional Observatory (August 2010)

2. Project Achievements and Analysis

Table 1 below summarises the headline achievements of the Cyrenians Project at December 31st 2011. The final project target is the overall target to the end of June 2012 (the extended deadline for the project). The final column (remaining target) highlights that there is still a significant portion of outputs that remain, particularly in relation to qualification gains and the number of participants entering employment. There has been some uplift in the number of participants entering employment, following data capture and cleansing (which has increased the participants achieved to December 2011 to 697), whilst that would still leave 27% of the entire target to be delivered over the final six months of the project, as of March 2012, it is reported that Cyrenians are on profile to meet all these targets by 31st July 2012.

Table 1: Project Delivery against Profile⁵

	Achieved	Final Project Target	Remaining target (No.)	Remaining target (% of total)
Participants	4391	5330	939	18%
Participants Gaining Qualifications	525	740	215	29%
Participants Entering Further Learning	137	180	43	24%
Participants Entering Employment	697 ⁶	950	285	27%

The following sub-section provides analysis of the findings of the research undertaken with the 196 participants who had secured employment as an outcome of the Cyrenians support at least six months ago. Of the 196 respondents asked, 64% (125/196) said they were currently in work, and 36% (71/196) said they were not. By applying this proportion across the 429 participants who exited the project into employment at least 6 months ago it is possible to estimate that approximately 275 of these remain in employment.

2.1. Those who are not currently working

From the 71 respondents who said they were not working; they were asked how long they had been out of work the average length of time was 6 months, the length of time ranged from just 1 day through to 24 months with 62% (44/71) being out of work for less than 6 months and 31% (22/71) being out of work for less than 3 months.

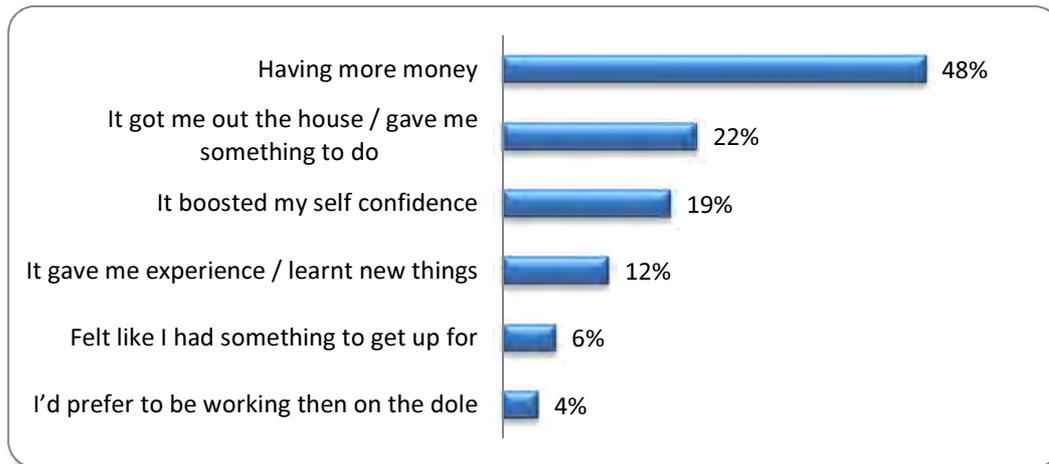
The most frequent theme as to why they were no longer working was that the initial appointment was short term or temporary work (28%; 20/71), example responses include: *"It was a temporary contract for 3 months in Amazon over Christmas 2010. I'm looking for work but it's hard to find"* and *"I had a job in BHS at Christmas and the contract ran out."* The second theme related to a lack of employment opportunities with some citing that there were no jobs available, others that there were no jobs around or it was hard to find work (27%; 19/71), example responses include *"there are no jobs available; I'm looking all the time"* and *"I'm just trying to find employment at the moment, but it is really difficult."* The third theme was due to health reasons (18%; 13/71), *"I'm getting a bit old, I'm 60 at the end of the year, it's very rare to get a job as I'm disabled with diabetes type 2 too"* and *"I've been off sick - I have had a recurring illness for over 10 years that stops me from working."*

⁵ Data derived from Quarter 8 (31st December 2011) returns and WEFO Online.

⁶ When the quarterly return was submitted the number of individuals into employment was recorded as 665. However, following a review of the database it was discovered that the figure for participants into employment was in fact 697.

The 71 respondents who described themselves as not currently working were asked what the good and bad points were about the job they had undertaken on leaving Cyrenians. Of the 71 respondents, 37 (52%; 37/71) had something bad to say about the job, and 69 (97%; 69/71) said something good about the job they did. The most frequent response (49%; 18/37) was that the job was only temporary (which shouldn't be considered as a negative perception of work but more so of the nature of employment that they had managed to secure); thirty-three respondents (48%; 33/69) stated that 'having more money' was a good point and 15 (22%; 15/69) stated 'it got me out of the house or gave me something to do'. The coded 'good' responses can be seen in the graph below:

Figure 2: What were the good and bad points about the job you had? – “good” (Note: respondents could answer with more than one response).

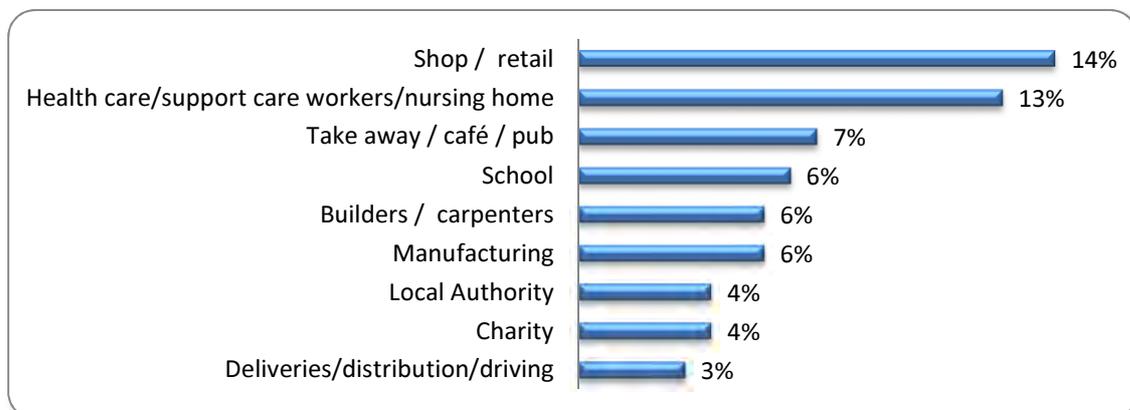


N = 69

2.2. Those who are currently working:

The 125 respondents who, at the time of survey, were in employment were asked what the company they work for does. The graph below shows 14% (18/125) of respondents started that they work for a shop or in a retail environment, followed by 13% (16/125) who say they work in health or support care or in a nursing home.

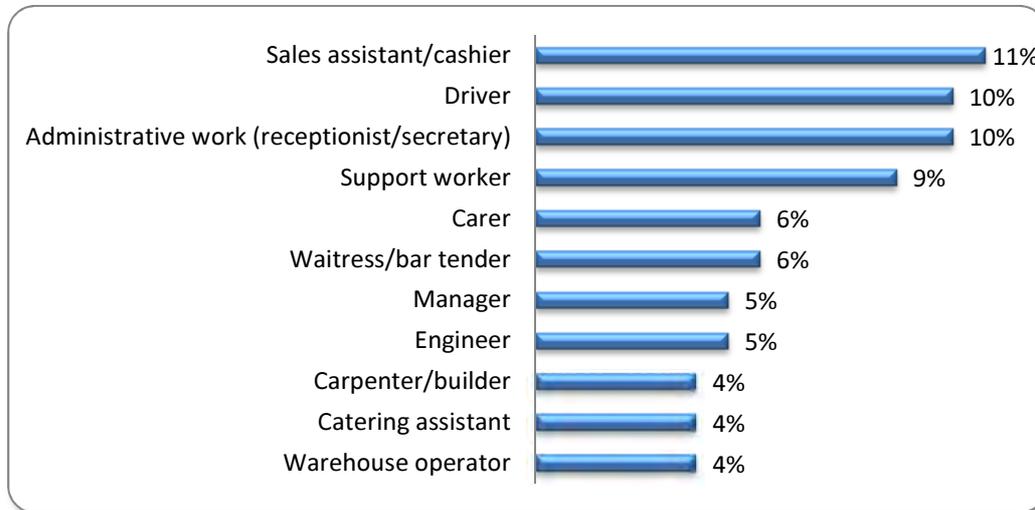
Figure 3: What does the company that you work for, do?



N = 125 (Note only responses >4 are included in the above graph.)

Fourteen respondents stated that they were sales assistant or cashier (11%; 14/125) and 13 respondents (10%; 13/125) stated they were cleaners, and another 13 stated they were drivers (10%; 13/125).

Figure 4: What job do you do?



N = 125 (Note only responses >4 are included in the above graph.)

NS-SEC is a categorisation system that measures the employment relations and conditions of occupations, table 2 below breaks down the jobs listed above into a NS-SEC classification. We have also then applied an annual salary to these jobs based on ASHE data⁷.

Table 2: Assigning Salaries to Occupational Type

NS-SEC Equivalent	Frequency	%	Salary Equivalent
Semi-Routine occupation	33	26.4	£13,700
Routine occupation	32	25.6	£11,600
An administrative related position	18	14.4	£16,000
A sales and Customer Service related position	17	13.6	£13,000
Working in skilled trades	13	10.4	£22,300
Lower supervisory and technical operations	5	4	£22,300
A Middle manager	3	2.4	£26,400
A Supervisor	3	2.4	£22,300
A senior manager	1	0.8	£29,470
Total	125	100	
Average Salary			£15,274

Fifty-eight per cent of respondents were still in the same job / role since receiving the support from Cyrenians Cymru (73/125). The mean value, when the 52 respondents were asked how long they had been in their current position, was seven months.

⁷ Annual salary estimates are median estimates of gross annual pay for Welsh employees derived from the Annual Survey for Hours and Earnings (2010) and linked from the NS_SEC employee types used within the survey to standard occupation codes (SOC) using Office for National Statistics derivation tables. When linking the two datasets, there is inevitably some overlap, hence similar salaries for differing NS-SEC equivalents

Respondents were asked to briefly outline how they got the job and the majority of responses were that they applied for it having seen the position advertised in the local paper or job centre (57%; 72/125). Eight per cent stated that they went around companies asking if they had work and dropping their CV's off (10/125) and another 8% got into employment through a recruitment agency (10/25). Twenty-one respondents (17%; 21/125), unprompted, stated that Cyrenians had, in some way, helped them to get this job, examples of comments can be seen in the box below:

- *“One of the girls from Cyrenians got me the number and I phoned up the main council office, the education and catering department to find out about the job and Cyrenians helped me do the application form and my CV.”*
- *“It was only through help from Cyrenians, they had the drive saying they will get me a job and helped me fill in the job applications and with interview skills.”*
- *“It was independent of Cyrenians but they gave me assistance with getting to the interview and with getting the safety clothing I needed.”*

Twenty-two per cent of respondents stated that there had been times since finishing with Cyrenians Cymru, that they were out of work (28/125) when asked how long they were unemployed, the most frequent amount of time to be out of work was for six months, whilst the mean time spent out of work was four months.

2.3. Perceptions of the Impact of Support

All 196 respondents were asked whether the support they have received from Cyrenians has changed them as a person. 36% of respondents (71/196) stated that Cyrenians has given them self-confidence; 5% (9/196) stated that the support has made them more knowledgeable and 3% (6/196) say that Cyrenians has made them happier. Whilst 44% of respondents (71/196) had stated that Cyrenians had not changed them as a person, it is important to note here that many of these respondents simply did not associate change with the support received, for example: *“It hasn't changed me but the extra money to get into work proved invaluable as it enabled me to get some work clothes and I also used it for travelling to work.”* A comment of this nature, from the study team's perspective does still reflect added value arising from the support received. It also highlights the challenges of attempting to attribute change and impact to a respondent in a very concise, un-intrusive way.

An example of some of the un-coded, open responses respondents gave when asked about the support received from Cyrenians has changed them as a person can be seen below:

- *“I can manage my money better. I went to the community centre as I was homeless, they helped me do a CV to help me find work, they helped with housing support and advice, signposting me to Gwalia where I got a flat, they helped me get my life sorted and made me more presentable so I'm more likely to get work.”*
- *“I wanted to set up my own business and they pointed me in the right direction, they sat down with me and went through everything and gave me the confidence to set up and actually go for it.”*

When we analyse the responses to the question “how has the support you’ve received from Cyrenians changed you as a person?” against the question “are you currently in work?” we can see that 54% of those people not in employment (38/71) state that the support received has not “changed them as a person” compared to 39% of those who are in employment (48/125). Most noticeably, 45% (56/125) of those people currently in work stated that the support from Cyrenians helped them as a person by increasing their self-confidence compared to just 21% of those who are not currently in work (15/71).

It is important to note at this stage that in the majority of cases, over 50% of participants on employability schemes do not attribute change to the support they have received. Within DWP’s cost benefit framework for example they ask for extensive information if the figure is anything less than 50% as this is an unusual event.⁸

Figure 5: How has the support you’ve received from Cyrenians changed you as a person? Split by are you currently in work?



N = 196 (Note only responses >4 are included in the above graph.)

Eighteen per cent of respondents stated that the support received from Cyrenians has changed their life through helping them to get a job (36/196) and a further 9% (18/196) said that Cyrenians had helped change their life through boosting their confidence. Fifty-three per cent of respondents (104/196) stated that the support from Cyrenians has not changed their life, and a further 7% (14/196) said they did not receive any support from Cyrenians or they could not remember the support given.

⁸ The Department for Work and Pensions Social Cost Benefit Analysis Framework, DWP (2010)

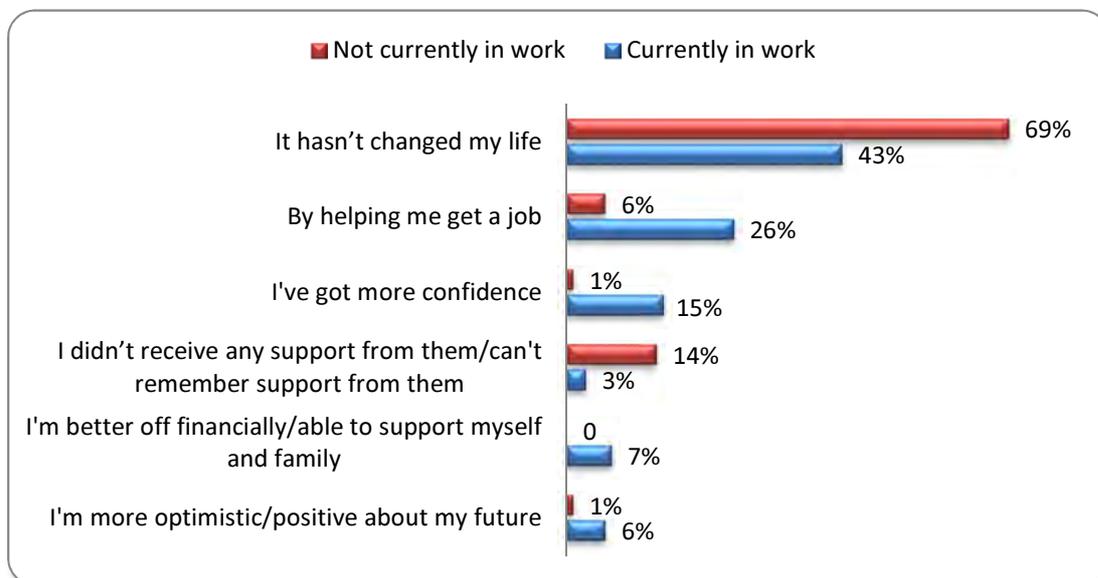
An example of the comments respondents gave when asked how the support received from Cyrenians has changed them as a person can be seen below:

- *“A great deal, I wouldn't be where I am today if it wasn't for them, I'd still be drinking, I'd probably still be homeless and wouldn't be working. I got my NVQ level 2 while I was there which has enabled me to get a job.”*
- *“After coming out of prison they got my self-esteem back up and improved my confidence just to carry on with what I was doing, carry on looking for work.”*
- *“I'm not unemployed anymore and useless, I can drive, I didn't have the confidence or the money to do it before, I have my own car and I'm looking at buying a house.”*

When we analyse the responses to the question “how has the support you’ve received from Cyrenians changed your life?” against the responses to “are you currently in work?” we identified that 26% of respondents currently in work attributed Cyrenians support helping them to get a job (32/125) and 15% attributed the support to their increased confidence (19/125). Sixty-nine per cent of respondents not currently in work stated that the support received from Cyrenians has not changed their lives (49/65) compared to 43% (54/125) of respondents who are currently in employment.

Again, when considering the DWP’s assertion that in employability schemes, it is unexpected for over 50% of participants to attribute the support received to gaining a job⁹ the chart below highlights that Cyrenians performs at least in line with this assertion and, when considering those who are still in employment, surpasses the typical employability scheme (with 57% (71/125) of those in employment attributing the support of Cyrenians to a change in themselves).

Figure 6: How has the support you’ve received from Cyrenians changed you as a person? Split by are you currently in work?



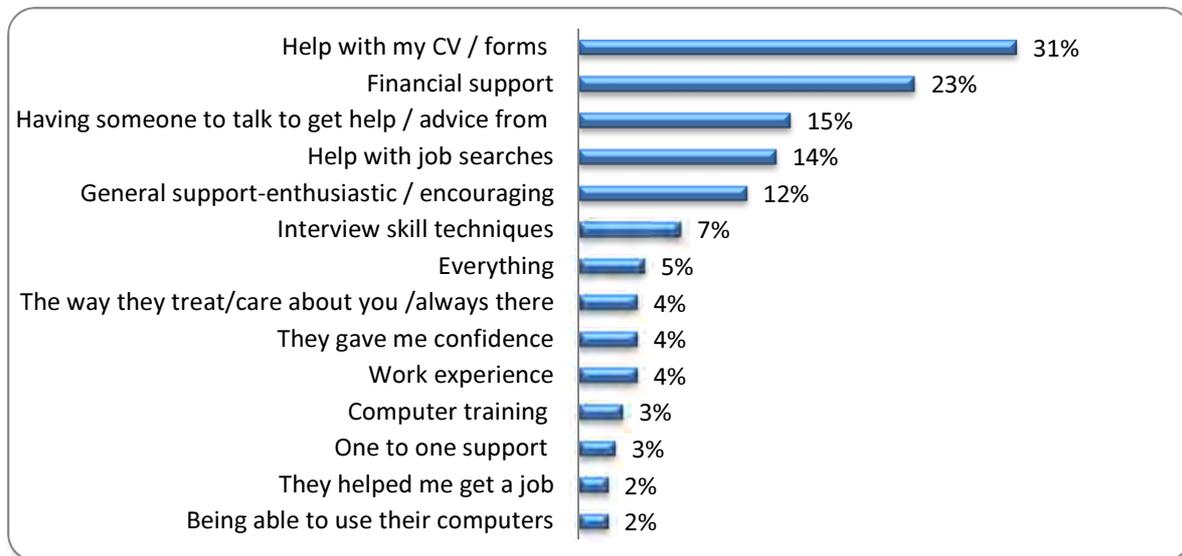
N = 196 (Note only responses >4 are included in the above graph.)

⁹ Ibid.

2.4. Perceptions of the Usefulness of Support

The graph below shows that the most useful training or support received was help with CV writing and forms (31%; 60/196) followed by financial support (23%; 46/196) and having someone to talk to, in order to get help and advice (15%; 29/196).

Figure 7: What was the most useful training/support you received?



N = 196 (Note only responses >4 are included in the above graph.)

Examples of some of the qualitative comments can be seen below:

- *“It was all really important, the personal aspect - the person I saw at Cyrenians really seemed to care, I wasn't just a number. The main thing was helping me apply for jobs and getting my CV up to scratch.”*
- *“Having somebody to talk to, they turned everything into a positive. No matter how many knock backs you got they keep you motivated to carry on looking for work.”*
- *“Everything was very helpful and the staff I dealt with were very understanding - much better than the job centre. I felt like they actually wanted to help me. The advice they gave me was great and it was just nice to talk to understanding people.”*
- *“Basically if you need help you know they're there, if I'd have had any questions after I'd started this job I knew they would have been able to help me. The young people I'm working with I'll signpost to Cyrenians because they are so good at what they do.”*

Just 16 respondents (8%; 16/196) stated an aspect of the support which was least useful (with a similar proportion of currently employed and currently unemployed participants citing least useful elements); the most frequent of these responses was that the individual felt they could have received more support (25%; 4/16) and that the training needed to last longer (25%; 4/16). Example responses include:

- *“The lack of communication between myself, Cyrenians and the Job Centre - they'd leave it for months before getting in touch with me.”*
- *“The fact that I was looked at as a young person even though I was volunteering, I wasn't being supported like the other people who were there.”*
- *“I wish the interview training had been longer as it was only an hour.”*
- *“That the spelling course was for only half a day a week and it finished after a couple of weeks, it wasn't long enough to be able to learn anything.”*

2.5. Summary

The survey has highlighted a high degree of sustainable employment outcomes for Cyrenians participants with performance in terms of gaining employment on a par with the entire Priority 2 participant group despite the fact that the groups Cyrenians works with are some of the hardest to reach/help.

Feedback from participants has generally been extremely positive and whilst there were a few suggestions for improvements, many of these were linked to increased investment of resource in support provision.

Almost half (45%; 56/124) of those in employment cited a boost in self-confidence as the outcome from the support they had received with over a quarter, un-prompted, attributing Cyrenians support, to their ability to gain employment.

3. Cost Effectiveness of the Cyrenians Project

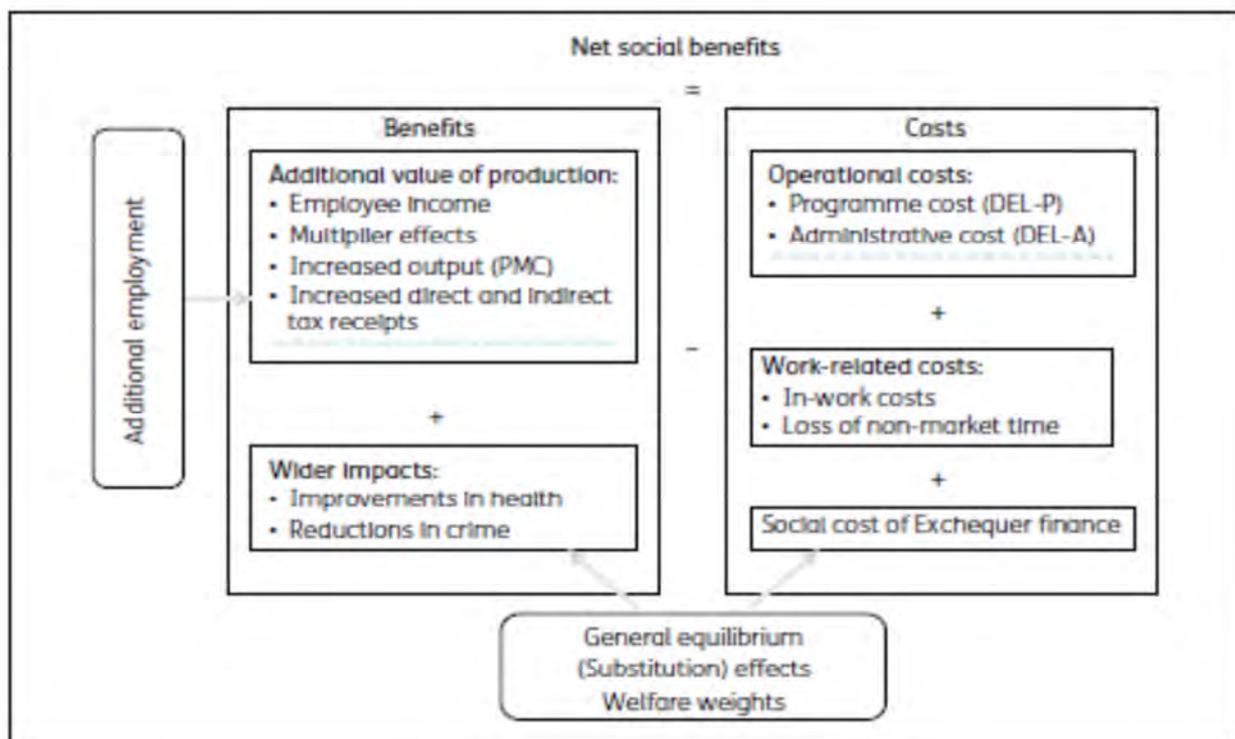
As outlined at the beginning of this report, the final evaluation of Cyrenians has been focussed on the impact of support, particularly for those who have subsequently secured employment as an outcome. This section builds the cost effectiveness model of the project.

3.1. Approach to Assessing Cost Effectiveness

In addition to the consultation with former Cyrenians clients, we have sought to analyse and estimate the cost effectiveness and ultimately the return (cost benefit) of the support offered through Cyrenians Cymru Employment and Training programme.

When considering the wider costs and benefits with interventions of this nature the social cost benefit analysis framework developed by the Department of Work and Pensions (DWP) provides further insight into the types of benefits (which are particularly pertinent to a scheme such as Cyrenians) which should be (and indeed have been) considered as part of the analysis.

Figure 8: The Social Cost Benefit Analysis Framework for Employment Programmes¹⁰



3.1.1. Assessing the Unit Cost

To assess the cost effectiveness of the intervention, and in recognition of the project being placed within ESF Priority 2 we have focussed on employment as an outcome of the support received.

¹⁰ The Department for Work and Pensions Social Cost Benefit Analysis Framework, DWP (2010)

Cost per Job Gained

To undertake an overarching assessment of the cost per job gained a simple calculation is undertaken:

$$\text{Cost per job gained} = \text{total programme cost} / \text{number of jobs gained}$$

As of 31st December 2011 the Cyrenians project has incurred £5,990,548 of eligible costs whilst 697 participants have entered employment (15.1% of total participants) and equates to a unit cost of **£8,594.76** per job secured.

This is a very crude methodological approach and significantly overstates the cost per job by not taking into account the breadth of benefits associated with the Cyrenians initiative such as the training provision and the health and life skills interventions that are offered, neither of which are purely focussed on securing employment as an outcome for participants. Furthermore, supporting over 15% of previously unemployed or economically inactive participants into employment is only slightly less than the rate of transition from unemployment into employment for the entire ESF Priority 2 participant group at 17%¹¹. The difference is small and could therefore be simply a statistical variance. This is particularly impressive given that Cyrenians is working with some of the hardest to reach/hardest to help groups within ESF Priority 2 which would suggest a lower proportion making that transition.

In addition, it should be noted that cost per job entry is expected to be very high on schemes which are aimed at people with very special problems, such as a history of drugs or alcohol addiction, or those who are homeless.¹² Annex 2 provides details of cost per job for a series of schemes delivered by DWP based on 2005/06 data. Even when annual inflation¹³ is applied to these figures it is clear that Cyrenians has a far higher unit cost, however research found that the cost per job entry for drug users on the Progress2Work initiative was £11,600 in 2008-09, a higher cost than the Cyrenians unit cost, without taking into account inflation.¹⁴ Figure 9 below illustrates the cost benefit framework developed by DWP for analysing employability initiatives the model has guided the cost benefit analysis of Cyrenians.

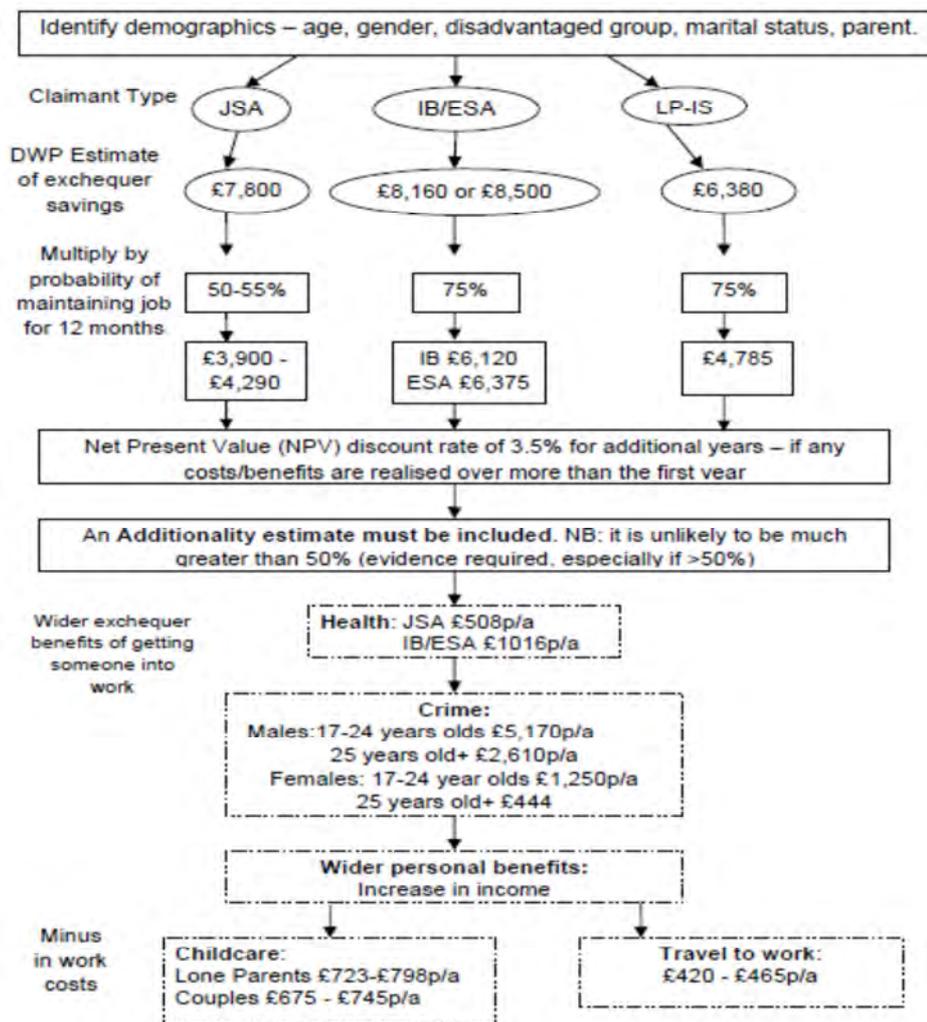
¹¹ ESF Leavers Survey, WISERD 2009

¹² Local Work: Empowering Local Government to Tackle Worklessness, Local government information unit (2010)

¹³ Annual inflation rates have been guided by January inflation figures derived from the Office of National Statistics

¹⁴ Tackling problem drug use: NAO

Figure 9: DWP – CBA Model¹⁵



Each step in the CBA model above is explored and analysed in detail in the remainder of this section.

3.1.2. Measuring Financial Benefits/Savings

By moving participants from unemployment or economic inactivity into work, savings are generated to the Exchequer in relation to the receipt of benefits (Jobseekers Allowance, Incapacity Benefit and Employment Support Allowance for example) and additional benefits to the Exchequer in relation to taxes (through Pay As You Earn (PAYE)) generated through the subsequent employment of these individuals.

¹⁵ The Department for Work and Pensions Social Cost Benefit Analysis Framework, DWP (2010)

In Freud's¹⁶ review of welfare to work on behalf of DWP, analysis was undertaken to provide figures on the likely savings for moving the average claimant on JSA, IB or ESA into work which have subsequently been updated by DWP¹⁷ and are presented in table 3 below.

Table 3: Estimates of Annual Fiscal Benefits Derived from moving from unemployment into employment

Benefit Type	First order fiscal benefit of obtaining work for 12 months
Job seekers Allowance	£7,800
Incapacity Benefit	£8,160
Employment and Support Allowance	£8,500
Income Support for Lone Parents	£6,380

Our research sought to consult with participants who left Cyrenians into employment at least six months ago. The clients who are still in employment have therefore been in employment at least six months and in some instances up to two and a half years. Sixty-four per cent of clients surveyed were still in a job, at least 6 months after leaving Cyrenians, using that proportion against the 697 individuals who gained employment as an outcome equates to 446 still being in employment 6 months later.

In the knowledge that some participants have been employed for six months whilst others have been employed for two and a half years we have used 12 months as a (conservative) benchmark estimate length of time in employment for assessing the scale of first order benefit.

Of the 697 participants of Cyrenians who gained employment as an outcome of the project, 460 were unemployed (equating to 66% of participants) prior to receiving support from Cyrenians whilst the remaining 237 (34%) were described as economically inactive prior to receiving support from Cyrenians.¹⁸

Applying these proportions to our estimated number of participants working for 12 months or more provides estimates of 294 participants securing employment for at least 12 months who were previously described as unemployed and 152 employed for at least 12 months who were previously described as economically inactive.

If we were to make the assumption that all participants who were unemployed were claiming JSA and all participants who were economically inactive were claiming IB/ESA then this would equate to the following

- JSA Claimants 12 months fiscal benefit: $294 * £7,800 = £2,293,200$
- ESA/IB Claimants 12 months fiscal benefit: $152 * £8,330$ (midpoint) = £1,266,160
- **Total estimated fiscal benefit for 12 months = £3,559,360**

¹⁶ Reducing Dependency, increasing opportunity: options for the future of welfare to work, Freud (2007)

¹⁷ DWP – Co-design Worklessness report (2011)

¹⁸ These proportions of participant type gaining employment are “grossed up” from an initial return and breakdown of 665 gaining employment

Housing Benefit

In addition, by securing employment for participants, significant savings to the Exchequer in relation to reduction in Housing Benefit will be gained. The current average rate of Housing Benefit across the UK is £86.91 per week.¹⁹ Estimating the proportion of Housing Benefit initially claimed and subsequently no longer claimed by Cyrenians participants is fraught with difficulty as benefit data was not captured from project participants. As of December 2011, there were 21,370 claiming Housing Benefit in Swansea alone. Across the UK, the figure stood at 4.95m with 959,000 of whom were on JSA (629,400) or ESA (330,500). Calculating from total JSA claimants for December 2011 40% of JSA claimants are also in receipt of Housing Benefit, applying a similar approach for ESA suggests that 39% of ESA claimants are also in receipt of Housing Benefit. We have therefore applied these estimates to the number of JSA and ESA claimants, participating in Cyrenians and having secured a job for an estimated minimum 12 months as outlined below:

- JSA Claimants 12 months in employment = $294 * 40\% = 118$
- ESA/IB Claimants 12 months in employment = $152 * 39\% = 59$

As of December 2011, 865,000 claimants of Housing Benefit are in employment, 3% of the entire UK workforce, a 3% reduction has therefore been applied to the estimated Housing Benefit claimants above to reflect the assumption that similar proportion of Cyrenians beneficiaries who have entered employment, still gain Housing Benefit, equating to:

- Total claimants (ESA/JSA) in employment who were claiming Housing Benefit = 177
- Less 3% = 172, Multiplied by average UK Housing Benefit rate = $172 * (86.91 * 52)$
- **£777,323 Annual savings to the Exchequer of Housing Benefit**

Council Tax Benefit

Around 90% of individuals claiming Housing Benefit also claim council tax benefit with further numbers claiming council tax benefit without claiming Housing Benefit.

In total, approximately 32% of those eligible and claiming council tax benefits are claiming either JSA or ESA. Applying this proportion to the 446 in employment equates to 143 participants. Council tax benefit was worth (as of December 2011) £15.69 a week. This equates to an annual saving to the Exchequer of:

- **£116,671 Annual savings to the Exchequer in Council Tax Benefit**

3.1.3. Assessment of Additionality

Prior to assigning financial benefit to the Cyrenians project it is necessary to consider the proportion of project participants who would have secured their employment anyway. This type of question (essentially a counterfactual question) is always a difficult one for interviewees to answer and rather than specifically focus on the role that Cyrenians played in supporting the participant to secure employment our research contained two questions to test the scale of additionality, namely:

- How has the support you've received from Cyrenians changed your life?
- How has the support you've received from Cyrenians changed you as a person?

¹⁹ Single Housing Benefit Extract (December 2011), DWP (2012)

To assess additionality it is important to strip out the deadweight of the project (“deadweight” refers to what would have happened anyway, regardless of the support received). For the first question – “how has the support you’ve received from Cyrenians changed your life?” – 53% felt that it hadn’t changed their life, whilst 7% couldn’t recall gaining support from Cyrenians. However for this analysis, we are only concerned with those participants who are still in employment and the figures for those participants are 43% and 3% respectively. Combining these two proportions of responses equates to 46% of “deadweight”. In addition, 26% of currently employed respondents, unprompted, stated that the support had specifically helped them to secure employment, whilst a further 7% stated that they were better off financially (which you would assume arises from securing employment) – equating to 33% attributing the support to job attainment. It should be noted at this point however that the statement, “has the support changed your life” is a very strong concept and therefore demands a substantial personal impact to reference a positive response.

For the second question “How has the support you’ve received from Cyrenians changed you as a person”, (which the study team believe demands less of an impact on an individual than the previous question to generate as a response). As before the same 7% of respondents state that they couldn’t recall receiving support from Cyrenians, whilst 44% stated that the support hasn’t changed them as a person. However when analysing the feedback for only those who are currently in employment, the responses are 2% and 39% respectively, equating to an approximate deadweight of 41%.

Table 4 below outlines the process adopted to identify the level of additionality (the scale of employment outcomes attributed by participants to the support received) associated with sustainable (in excess of 6 months) employment outcomes.

The midpoint of deadweight for the responses from employed participants only to both questions is 43.5%, however of the remaining 56.5%, we can be confident of specific association of Cyrenians support with securing a job from 33% of respondents. Applying that same portion (a third (33%) of the remaining 23.5% respondents who cited an impact (but not necessarily job related) generates a further 8% that we estimate would also associate the support received as a contributory factor in securing employment, thereby providing 41% additionality.

It is important to note at this stage that whilst the application of 41% of outputs appears to ignore a significant proportion of the outputs and outcomes gained, DWP guidance highlights that additionality is unlikely to be greater than 50% (slightly higher than the return for the Cyrenians initiative) and if it were, this would warrant further investigation as this is uncommon amongst employability initiatives.²⁰

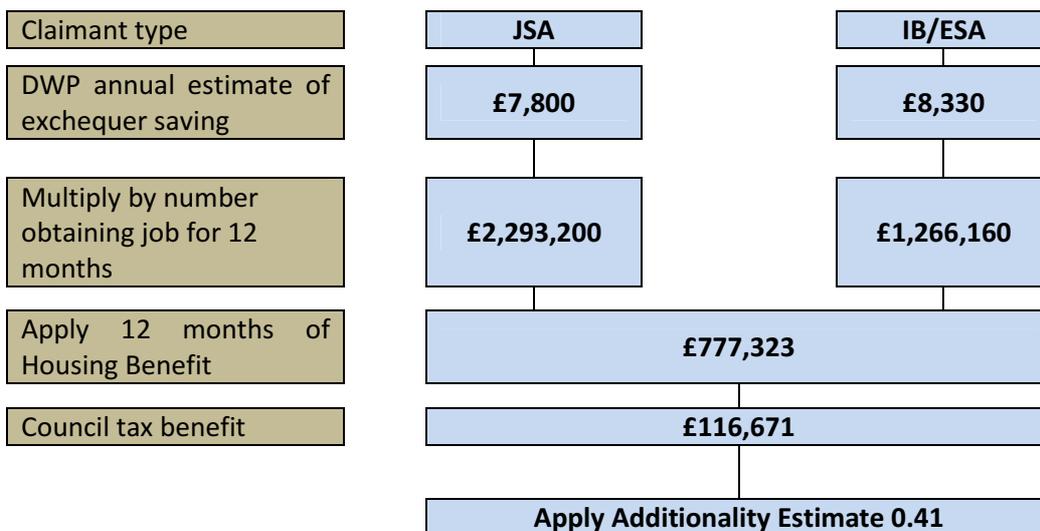
²⁰ DWP Worklessness Co-Design – Interim Report, DWP (2011)

Table 4: Estimating Additionality

Calculation for Assessing Additionality	Proportion of employed participants
1. Employed Respondents who felt support hadn't changed their life or they couldn't recall receiving support	46%
2. Employed Respondents who felt support hadn't changed them as a person or they couldn't recall receiving support	41%
3. Midpoint between the two deadweight responses	43.5%
4. Therefore initial additionality (i.e. those that did not describe support as deadweight)	56.5%
5. Of which we are confident of additionality (through specific association of Cyrenians with gaining a job)	33%
6. Applying same apportionment to the remaining 23.5% who cited attribution but not specifically and unprompted to gaining a job	8%
7. Therefore refined additionality that is employment related	41%

These figures have been placed within the first tiers of the CBA Framework in figure 10 below

Figure 10 – Emerging Cost Benefit Framework



3.1.4. Assessing Health Benefits

Further benefits to consider as part of this assessment are the impacts on a participant's health as a result of securing employment. DWP research²¹ suggests that moving from unemployment to employment reduces GP consultation rates and medical costs by 33%. In 2008 the average NHS cost per person of a working age, per annum was £1,220²² whilst the average cost to the NHS of a working aged individual that is unemployed rises to £1,540 per annum. However DWP acknowledge that the costs would differ for those with disabilities (and Hajioff estimates that those with a disability incur double the cost on the NHS). Applying this assessment suggests that a disabled unemployed person incurs £3,080 costs on the NHS per annum (52 participants described as disabled gained employment through the Cyrenians initiative). Applying a 33% reduction to these costs (as a result of moving from unemployment into employment) means that an able bodied individual incurs £508 less in NHS costs per annum after moving into employment whilst when an unemployed person with a disability moves into work they incur £1,016 less NHS costs per annum.²³

Inflation has been applied to these costs²⁴ to provide an equivalent figure for 2011 and the savings equate to £563 less in NHS costs per unemployed person whilst it saves £1,126 in NHS costs per annum for each unemployed person with a disability.

- 52 participants described as disabled secured employment through Cyrenians.
- 64% of those securing employment are still employed at least 6 months later.
- An estimated 33 participants described as disabled remain in employment after at least 6 months and 413 able-bodied participants.
- **£269,677 annual savings to NHS costs arising from the 446 employees remaining in employment for at least 6 months.**

In addition, it should be noted that a significant proportion of the participants of Cyrenians have additional challenges. For instance, figures from the Cyrenians Cymru drop-in centre (often the entry point into Cyrenians provision), showed that in February 2010, at least 50% of people accessing the centre had some form of addiction (either alcohol or drug related), whilst in February 2012 this figure had risen to 62.5% of the total number using the centre had some form of addiction (either alcohol or drug related).

In the 2008-09 financial year funding for adult drug treatment was £581million for 195,000 people who were in drug treatment (equating to approximately £3,000 per person).²⁵ Further research by DWP suggests that the cost for helping each drug user into employment for 13 weeks or more equated to £11,600 per person in the 2008-09 financial year (through the DWP's Progress2Work initiative).

²¹ The Department for Work and Pensions Social Cost Benefit Analysis Framework, DWP (2010)

²² Hajioff, S. (2008) Health of the Working Age Population, Public Health Action Support Team.

²³ The Department for Work and Pensions Social Cost Benefit Analysis Framework, DWP (2010)

²⁴ Annual CPI inflation rates have been used applying the annual figure for January 2009, 2010 and 2011

²⁵ Tackling Problem Drug Use, National Audit Office (2010)

Thirty of the participants that secured employment at least 6 months ago through Cyrenians received some form of health intervention either from the nurse or in relation to substance misuse – the assumption has been made that all of these participants had some form of addiction – either alcohol or drug related.

- 30 participants had some form of intervention by the nurse who subsequently went into employment.
- 64% are still in employment 6 months later.
- 19 participants who had some form of intervention by the nurse in employment after 6 months.
- **£57,000 of annual savings to the Exchequer. (conservative estimate based on 19 participants multiplied by £3,000 additional annual costs to the NHS)**

Homelessness

Management information provided by Cyrenians suggests that 637 of those that received support were described as being homeless. Research²⁶ suggests that a homeless person on average costs the state £26,000 annually (made up of a suite of elements – including accommodation, physical and mental health, crime and drug related costs). However these costs pale into insignificance when considering the fact that homeless people on average live 30 years less than the average person in the UK with an average life expectancy of 47.²⁷

In a survey of clients of homelessness services in England 39% had issues with alcohol and 42% had issues with drugs²⁸, if equivalent proportions were used with the 637 homeless participants on the Cyrenians project this would equate to 246 homeless participants with issues of alcohol with 265 homeless participants with issues of drugs (it is not clear as to the extent to which these figures would overlap. Securing accurate data on the average length of homelessness is a challenging process given the client group and the research topic; in the US it is estimated to be around 6 months. In the UK data is available for those described as leaving temporary accommodation (or no longer recorded as “Duty owned, no accommodation secured”). At the end of 2011, 66% of those leaving temporary accommodation had been in temporary accommodation for less than 6 months, whilst 20% had been in accommodation for at least 1 year (with a small proportion (6%) in temporary accommodation for in excess of 5 years).²⁹ On the basis of this relatively limited evidence base, 6 months seems a reasonable assumption of average length of time as homeless.

Calculating the savings of getting the homeless into employment:

- 637 Homeless Participants on Cyrenians Cymru.
- 15.1% of total Cyrenians participants secured employment. (equates to 96 previously homeless participants)
- 64% still in employment after 6 months. (equates to 62 previously homeless participants)
- £26,000 costs of homeless per year less typical NHS costs per person per year of £563. (to avoid double counting of savings)
- **£1,577,094 annual saving to the Exchequer.**

²⁶ Work it out – barriers to employment for homeless people, New Economics Foundation (2009)

²⁷ Homelessness: A Silent Killer – A research briefing paper on mortality amongst homeless people (December 2011)

²⁸ Sobering Facts: The impact of Drugs and Alcohol on England’s Homeless Population

²⁹ National Statistics on statutory homelessness – UK Statistics Authority - <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/homelessnessstatistics/publicationshomelessness/>

Assessing Crime Related Benefits

Whilst the costs to treat a drug user are considered to be around £3,000 per annum the annual cost of drug-related offending committed by the drug user is estimated to be much greater at around £40,000 per year if they are in treatment or in excess of £50,000 per year if they are not currently in receipt of treatment.³⁰

Whilst securing employment may lead to a reduction in the scale of crime committed by a drug user it cannot, in isolation, be considered as the element which led to a reduction in crime or to sobriety in fact it is more likely that sobriety will have been one of the initial steps back towards employment. However, entering employment is the only tangible benchmark available to the researchers so cost savings have only been applied to those participants who entered employment but are assumed to have had an addiction when first engaging with Cyrenians.

- 19 participants into employment who had been in receipt of some form of intervention from the nurse.
- £40,000 year. (conservative estimate as in treatment) cost to crime
- **£760,000 annual saving. (assuming that all crime is stopped as a result of securing employment)**

In relation to the cost of crime regardless of the background of the unemployed individual, the DWP recommends applying costs outlined within Table 5 below to inform the scale of reduction in crime arising from supporting someone from unemployment, into employment. The Home Office Statistical Bulletin on arrestee rates (2006) estimates that 51% of crime is committed by the unemployed and economically inactive.³¹ Whilst there is said to be little evidence on the profiles of unemployed persons who commit crime in the UK a Home Office report (2006) states that 86% of arrestees were men³² DWP have therefore attributed 86% of total property crime costs to males. For both genders approximately 40% of crime is committed by 17-24 year olds, 30% by people aged 25-34 and 30% by people aged 30 and over. These figures have been used to enable DWP to undertake the following analysis.

Table 5: Cost of Property Crime

Cost of Property Crime	
Annual cost of property crime	£17.8 billion ³³
Proportion of property crime committed by unemployed/inactive	51%
Cost of property crime applicable to unemployed	£9.1 billion
Cost of property crime applicable to unemployed men	£7.8 billion
Cost of property crime applicable to unemployed women	£1.3 billion
Cost of property crime applicable to unemployed men aged 17-24	£3.1 billion
Cost of property crime applicable to unemployed men aged 25+	£4.7 billion
Cost of property crime applicable to unemployed women aged 17-24	£0.5 billion
Cost of property crime applicable to unemployed women aged 25+	£0.8 billion
Number of men aged 17-24 on working age benefits	0.6 million
Number of men aged 25+ on working age benefits	1.8 million
Number of women aged 17-24 on working age benefits	0.4 million

³⁰ Drug Treatment Outcomes Research Study (2009)

³¹ Within DWP methodologies paper (2010) – pg 54

³² This includes property and non-acquisitive crime – there is no data available for crime type

³³ This figures has been increased to account for inflation between 2006-2010

Cost of Property Crime	
Number of women aged 25+ on working age benefits	1.8 million
Cost of crime per male employment programme participant aged 17-24	£5,170
Cost of crime per male employment programme participant aged 25+	£2,610
Cost of crime per female employment programme participant aged 17-24	£1,250
Cost of crime per female employment programme participant aged 25+	£444

The costs per individual type outlined within table 5 above have been applied in relation to the Cyrenians Cymru initiative in table 6 below. Participant information has been used to inform the estimated proportion of participants that have gained employment for at least 6 months within each of the age and gender categories.

Table 6: Estimate participant gender and age entering employment

Participant Type	Percentage
Participants entering employment – male	66%
Participants entering employment –female	34%
Participants entering employment – aged 15-24	25.5%
Participants entering employment – aged 25+	74.5%
Assuming an equal distribution for males and females across age groups equates to:	
Participants entering employment – male aged 15-24	17%
Participants entering employment –female aged 15-24	9%
Participants entering employment – male aged 25+	49%
Participants entering employment – female aged 25+	25%

DWP guidance then suggests that an estimate of the percentage increase in income achieved by programme participants is required for those who have secured employment (the change in income from receipt of benefits to receipt of a salary). This percentage increase is then multiplied by 0.6 and then applied as a percentage reduction to the typical costs of crime (with a number of additional factors included).

Estimates for participant salaries have been applied based on the job-roles of respondents to our survey. We have calculated an average annual salary for these participants (all contained within table 7). Take home values have been obtained for a salary of this scale and percentage increases applied to the profile and proportion of participants on benefits (less those participants that were considered likely to have once been homeless whose costs in relation to crime were considered as part of earlier analysis). The table highlights that when these calculations are applied, it is estimated that annual crime costs amongst this group are reduced by £761,215.

Table 7: Estimate average annual salary

Participant type	Percentage of those in employment	Number of those in employment ³⁴	Crime Cost	Est. Reduction in crime cost
Participants entering employment – male aged 15-24	17%	62	£320,799	£289,000
Participants entering employment –female aged 15-24	9%	33	£41,063	£36,625
Participants entering employment – male aged 25+	49%	179	£466,799	£400,512
Participants entering employment – female aged 25+	25%	91	£40,515	£35,079
Total			£869,175	£761,215

3.1.5. Wider Personal Benefit – Additional Income

By estimating the average annual salary against assumptions of benefits claimed by Cyrenians participants it is possible to estimate the additional (take-home) income for participants who have subsequently secured employment. This equates to an additional income of **£3,608,635** amongst the 446 participants who have secured sustained employment for, on average, 12 months.

3.1.6. In-Work costs

A series of in-work costs need to be applied to the cost benefit analysis in recognition that being in work generates costs, - most prominently, commuting related costs and childcare costs. The average annual commuting related cost has been applied to those who have gained employment. We are also aware that 89 of the participants who gained employment were either single parents (83) and/or had support for caring responsibilities (12). Research has found that 49% of lone parents use childcare with an average cost of £813 per annum.³⁵

- Average commuting costs £466 per annum³⁶.
- Commuting costs for the 446 in employment = £207,836.
- 89 single parent/carers – 64% still in employment = 5.7.
- 49% use childcare = 28 single parents paying securing employment through Cyrenians and paying for childcare. (16 with children aged 5-11, 12 with children aged 1-4)
- Equates to a cost of £22,764.
- **Combined annual in-work costs = £230,600.**

³⁴ These figures are based on those we assume are still in employment (426), less the 19 participants in employment who we believe were addicted to drugs/alcohol, less the 62 who we believe were formerly homeless

³⁵ DWP CBA methodologies and Childcare and Early Years Survey of Parents, 2008, DCSF (2009) increased to account for inflation

³⁶ The average commuting costs are derived from DWP figures for 2008 with inflation applied to bring them up to 2010 figures

3.1.7. Persistence of Benefits

The focus of the cost benefit analysis has been on annual analysis for one year only. However the support received by participants is likely to last longer than one year, this is known as the persistence rate. Persistence rates vary in duration from one initiative to the next but the research team feel confident that the rate of persistence derived from support through Cyrenians will, at the very least last 2 years.

To inform our estimates on the scale and breadth of persistence of support the team analysed survey respondents and found that 25 participants exited Cyrenians into employment at least two years ago with 55% of respondents to the survey still in employment.

Of those that had exited Cyrenians at least 2 years ago and were still in employment, a similar proportion cited the influence of Cyrenians in securing and sustaining that employment as for the entire survey respondents. This provides justification for applying the assumption that the support offered through Cyrenians to those in employment and citing an impact from the support of Cyrenians persists for at least two years.

Second Year Impacts

Based on survey findings, 55% retention of employment has been applied to those that exited the Cyrenians programme in employment at least 6 months ago (this reflects an expected slight drop-off from the 64% rate of retention) and equates to an estimated 383 participants still being in employment after two years. Rates of benefits have been applied to these figures in addition to the application of a standard Discount Rate to generate a present value for the in-work costs and the benefits (NPV)³⁷.

- Anticipated reduction in benefits for a further 12 months (representing 13-24 months in employment and off benefit): £3,059,210.
- Reduction in Housing Benefit for a further 12 months: £664,340.
- Reduction in Council Tax Benefit for a further 12 months: £100,086.
- Reduction in NHS Costs for a further 12 months: £281,006.
- Reduction in costs – moving from homeless for a further 12 months: £1,343,074.
- Reduction in crime costs general for a further 12 months: £740,305.
- Reduction in crime costs participants with drug addictions for a further 12 months: £680,000.
- Additional Income: £2,951,786.
- Commuting and childcare costs for a further 12 months: £78,099.
- Additionality – 41%.
- Discount rate -3.5%.
- **Total additional benefit from second year of employment: £3,807,107.**

³⁷ Green Book Appraisal and Evaluation Guidance states that this should be 3.5%

3.1.8. Non-employment related benefits

Finally consideration has been given to benefits (in terms of savings) that are not employment related. By focussing on assessing the value of sustainable employment outcomes, the scale of return from non-employment related benefits is likely to be an underestimate. This is because the participants who secured a positive outcome other than employment were not included within the participant survey and any financial return generated by their achievements has not been factored into the cost benefit analysis. This element is however important to the Cyrenians project given (for example) the number of participants gaining positive outcomes which were not related to entering employment, in particular those entering further education.

It is currently unclear what nature of further education these participants entered so it is difficult to apply any benefit saving estimates to these participants, however a small proportion were supported who gained advice as part of the Cyrenians project in relation to drug and alcohol abuse. In applying the cost benefit analysis we have made the assumption that these individuals have overcome their abuse of these substances to enable them to enter further education and have therefore applied the reduction in crime costs associated with this group to the 12 participants associated with this group.

- 12 participants entering further learning receiving support for drug or alcohol abuse.
- £40,000 per year reduction in crime per participant equates to:
- **£480,000 saving.**

3.1.9. Applying the Assumptions to the Cost Benefit Analysis Process

Figure 11 below presents all of the assumptions and analysis outlined above in the cost benefit analysis process. The process indicates a cost benefit analysis (or return on investment) of £1.43 for every £1 spent. This is likely to be a significant under-estimate as the sustainment of employment is likely to generate further benefit and savings for a number of years to come (as the persistence of the support continues into the future). Evidence of the scale of influence that sustainment of employment can have on cost benefit is presented in Annex 3.

Total Project Cost	£5,990,548	
Claimant type	JSA	IB/ESA
DWP annual estimate of exchequer saving	£7,800	£8,330
Multiply by number obtaining job for 12 months	£2,293,200	£1,266,160
Apply 12 months of Housing Benefit & Council Tax Benefit	£777,323 + £90,563 = £868,886	
Wider exchequer benefits – (Health NHS + drug/alcohol addicts)	£269,677 + £57,000 = £326,677	
Wider exchequer benefits – (homeless)	£1,577,094	
Wider exchequer benefits –crime (drug/alcohol addicts only)	£760,000	
Wider exchequer benefits – crime (remaining participants)	£761,215	
Additional income (less taxes) to those in employment	£3,608,635	
Minus In Work Costs – childcare & travel to work	£207,836 (commuting) + £22,764 (childcare) =£230,600	
Second Year Impacts	£3,807,107	
Non- employment related benefits	£480,000	
Additionality	Apply Additionality to Benefits of 41% for yr1 and to in work costs (yr 1 only)	
Total Costs versus Total Benefits	£5,990,548: £8,655,349	
CBA Ratio	£1 : £1.44	

4. Key Findings and Recommendations

The impact evaluation of Cyrenians illustrates that despite working with groups in society considered to be some of the hardest to reach and help, the project manages to secure job outcomes for a significant portion of participants (in excess of 15%) and of a broadly similar level to the figure achieved across ESF priority 2. Furthermore, this has been achieved during a particularly weak period in the economy amidst very weak labour market demand. Furthermore, the level of sustainment within the project with an estimated 64% of participants still in employment after one year and 55% of participants still in employment after two years is impressive and shows how quickly the Cyrenians clients can adjust to more mainstream lives once the support and ultimately, employment helps stabilise their lifestyles.

The success of the project, as identified within the mid-term evaluation, is derived from the various elements of the project and the way these work effectively together to offer a model of support greater than the sum of its parts.

The diversity of support on offer through Cyrenians generates challenges in terms of applying a cost benefit or return on investment approach centred on employment as the desired outcome. In reality there are many different outcomes derived from the support on offer including further learning, health outcomes, stability outcomes and host of other soft outcomes which have been largely overlooked for this analysis.

To enable a more robust cost benefit analysis to be undertaken combined with the capture and valuation of social returns there are a number of elements that the project needs to consider.

- Capturing the nature and type of benefits that a participant is in receipt of when engaging with the project.
- Developing appropriate protocols for the internal sharing of sensitive data to provide an improved understanding of the nature and propensity of key issues associated with participants. (e.g. number of drug and alcohol abusers etc.)
- Developing and applying an appropriate progression/soft outcomes tool to provide a greater insight into how the support affects the participants.
- Capturing, in greater detail, the value attributed to the Cyrenians project through the application of **social return on investment** approaches or similar to provide greater understanding of the perceived value of the support provided amongst participants.
- The monitoring and management demands to deliver the above are minimal but are all clearly pertinent to the nature of support offered thereby provided Cyrenians with a far clearer understanding of the scale of value generated in society.
- A cost benefit analysis ratio of £1:£1.44 should be considered a conservative estimate, albeit a positive one.

Forward Programme

The success of the project (both in terms of the delivery of employment outcomes but also, ratified through the mid-term evaluation and the subsequent cost benefit analysis undertaken as part of the final evaluation) in Swansea has led to Cyrenians, with partners, exploring the possibility for geographically rolling out the model in collaboration with key partners within Wales. Our study team have reviewed the proposed model and have compiled a risk analysis to inform its continued evolution, the risk analysis is available on request from Cyrenians.

Social Return on Investment (SROI)

Social Return on Investment (SROI) is a framework for measuring and accounting for Value in its broadest sense; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits.

SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated.

The public services act (Social Value Act) was passed into law in England and Wales in April 2012. Under the Act, for the first time, all public bodies in England and Wales are required to consider how the services they commission and procure might improve the economic social and environmental well-being of the area. In this context, it is likely that SROI methods to value the welsh economy and society will be well considered as part of typical procurement processes.

SROI can (and arguably should) be applied as part of planning as well as the evaluation of service delivery.

Annex 1: Participant Survey

Final Evaluation of Cyrenians Cymru – Discussion Guide for Participants who entered employment from the project at least 6 months ago

Hello my name is xxxxx and I am calling from Wavehill on behalf of Cyrenians Cymru.. Do you have a spare minute or so to confirm a few details? I only have a few questions to ask and all responses will be treated confidentially.

1. Can you confirm that you are xxxxxx?
2. Are you currently in work? Yes/No (if yes go to q4)
3. For how long have you been out of work? (go to q11)
4. What is the title of your role?
5. What does the company that you work for do?
6. Would you describe your role as
 - A senior manager
 - A Middle manager
 - A Supervisor
 - Working in skilled trades
 - An administrative related position
 - A sales and Customer Service related position
 - Or something else
7. Have you been in this same role since receiving the support from Cyrenians Cymru (Yes/No)
If yes go to q9
8. (If no) How long have you been in this current position?
9. Please briefly outline how you secured this role?
10. Have there been any times since you finished receiving support from Cyrenians Cymru that you were out of work (if yes) – for how long were you unemployed?
11. In summary, how are you and how is your life different now compared to before you gained the support from Cyrenians?

That's it! Thank you for your time

Annex 2: DWP Cost Effectiveness Measures – 2005-06

Programmes	Client Group	Voluntary or Mandatory	Number of Participants	Cost per gross job entry	Cost per participant	Cost per additional job
Jobseekers						
New Deal for Young People (NDYP)	18-24 year olds unemployed for 6 months	M	236,200	£2,619	£866	£11,720
New Deal 25+ (ND25+)	Over 25s unemployed for 18 months	M	127,900	£3,532	£983	£12,180
New Deal 50+ (ND50+)	Over 50s unemployed for 6 months	V	61,720	£435	£133	£3,620
Lone Parents and Partners						
New Deal for Lone Parents (NDLP)	Lone parents	V	212,620	£841	£365	£4,950
New Deal for Partners (NDP)	Spouses or partners of benefit claimants	V	4,230	£2,296	£1,107	£76,540
Disability Programmes						
New deal for Disabled People (NDDP)	Unemployed people with a disability	V	65,980	£2,372	£1,136	£6,780
Pathways to Work (seven districts)	Incapacity Benefit claimants	M (for new claimants)	69,369	£2,434	£492	£9,910
Employment Zones (EZ)						
EZ NDYP	Unemployed young people who live in a EZ	M	11,570	£4,283	£1,296	£21,360
EZ ND25+	Unemployed people aged over 25 who live in a EZ	M	27,670	£4,688	£1,167	£18,810
EZ NDLP	Unemployed lone parents who live in an EZ	V	10,970	£3,952	£1,265	£23,250

Annex 3: Return on Investment for Employment Programmes over Time³⁸

Programme	Programme costs (£ million) ¹	Additional jobs ²	Net fiscal benefit (cost) to the Exchequer for different length of job outcomes (£ million) ³			
			3 months	6 months	12 months	2 years
New Deal for Disabled People	74.979	11,064	(54.867)	(34.754)	5.470	83.200
New Deal for Lone Parents	77.617	15,684	(60.342)	(43.067)	(8.516)	58.248
New Deal 25 Plus	125.725	10,324	(105.900)	(86.075)	(46.425)	30.193
New Deal for Young People	204.539	17,457	(176.350)	(148.161)	(91.784)	17.160
New Deal 50 Plus	8.197	2,263	(5.325)	(2.453)	3.289	14.389
Pathways to Work	3.503	14,010	(26.469)	(18.838)	(3.577)	11.423 ⁴
New Deal for Partners	4.689	61	(4.697)	(4.710)	(4.737)	(4.788) ⁵
Employment Zones⁶						
New Deal for Young People	14.991	782	(13.728)	(12.465)	(9.938)	(5.055)
New Deal 25 Plus	32.298	1,998	(28.561)	(24.624)	(16.950)	(2.121)
New Deal for Lone Parents	13.871	597	(13.214)	(12.557)	(11.243)	(8.702)
Private sector-led New Deal for Lone Parents	21.097	1,463	(14.232)	(12.284)	(11.648)	(2.519)
Private sector-led New Deal 25 Plus	16.181	1,015	(18.735)	(16.372)	(8.357)	(0.836)

Source: National Audit Office analysis of Department for Work and Pensions data

NOTES

1 Programme costs are for 2005-06 and include delivery and administrative costs.

2 Additional Jobs are for 2005-06 and are estimates of the number of jobs gained that are additional to those that might have been gained without the programme. Estimates are based on programme evaluations.

3 Net fiscal benefit (cost) is the difference between the costs of the programme and the benefits that will flow back to the Exchequer in benefits saved, and increased tax revenue, less the cost of increased Tax Credits payable to people who move into work.

4 Net fiscal benefit after 18 months.

5 The results for New Deal for Partners are based on a low earnings assumption, an assumption that the Partner's benefit continues, less savings in housing benefit and council tax. As a result, negative gross fiscal benefit is calculated.

6 Some employment programmes, whether delivered by Jobcentre Plus or Employment Zones are more costly due to the disadvantaged labour markets within which they operate and the difficulties faced by individuals looking for work.

³⁸ Sustainable Employment: supporting people to stay in work and advance, National Audit Office (2007)