

Inclusion Housing Social Value Report

2021





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£56,256,825
Resident wellbeing

£2,463,635
Savings to the public purse

£36,030
Home life activities

£63,711,312
Construction Impact of new properties

Introduction

Inclusion Housing (henceforth, IH) provide flexible, innovative housing solutions and life opportunities to vulnerable adults across the UK. In the following report, Loop (formerly, Social Profit Calculator) present a social value assessment of IH's portfolio in line with their 2020/21 financial year.

Our analysis includes a calculation for each of the following aspects:

1. Resident wellbeing
2. Savings to the public purse
3. Home life activities
4. Construction impact of new IH homes

These calculations combined reveal the **total** social value and local economic impact created by IH. They are based on Social Return on Investment (SROI), Local Multiplier 3 (LM3) and Gross Value Added (GVA) analyses.

We can conclude from our assessment that IH has not only been successful in providing residents with good quality housing, they have also created an environment for residents where they feel **safe**, **valued**, and **supported**.

£122,467,802

Total social value & local economic impact

Methodology

There are four calculations that underpin our assessment:

1. Resident wellbeing – Using survey results from 2019/20¹ to calculate the social (wellbeing) impact that has been created for 711 new and 1670 existing tenants living in IH accommodation.
2. Savings to the public purse – Using primary survey results and existing industry research to calculate annual fiscal savings created for the public purse as a result of 711 new tenants moving into IH homes.
3. Home life activities – Using data provided by IH to calculate the social (wellbeing) impacts relating to 161 residents who have been involved in home life activities.
4. Construction impact of new IH properties – Using Loop’s Labour Force Calculator to forecast the expected fiscal savings, economic benefits, and social (wellbeing) impacts relating to the labour force required to construct 17 new IH properties (217 units). The Labour Forecast Calculator also estimates the local economic benefits of construction related to local supply chain spend and the labour force.

The first three calculations are based on the SROI analysis with the fourth calculation combining SROI, LM3, and GVA valuations. Each analysis type is a government approved methodology for understanding social value (SROI) and local economic impact (LM3+GVA)². At Loop we combine SROI, LM3 And GVA to provide a whole life value of an organisation over a specific timeframe – the fiscal, economic, social, and local economic impacts created by an organisation.

Loop has a database of over 5,000 outcomes, proxy values, and impact measures that are used to calculate social value and local economic impact. The data that supports the software comes from the Greater Manchester Combined Authority (GMCA) Unit Cost Database, the Global Value Exchange, and Office of National Statistics, which the software uses to carry out the calculations.



¹ Loop has used survey data from 2019/2020 provided by IH to determine the level of resident wellbeing. The annual tenant survey was postponed due to the COVID-19 pandemic. The IH report, however, shows that the tenant satisfaction survey responses have been consistently positive (satisfied and very satisfied) for the past 4-5 years. Given the exceptional circumstances and the stability of responses over time, survey data from the previous reporting period is considered a reasonable proxy for estimating the extent to which tenants of IH experience improvements in wellbeing as a result of the of the Specialised Support Housing (SSH) provided by IH. For the remaining calculations standardised impact metrics have been applied in line with HM Treasury Greenbook Guidance.

²At Loop we combine local economic impact (LM3 + GVA) with social value (SROI) as it provides further detail into how an organisation has created economic benefits beyond fiscal savings to government and economic benefits to HMRC and taxpayers. LM3 and GVA include local economic benefits relating to local supply chain spend and the labour force.

Social Value

SROI is the sum of cost-benefit analysis (CBA), social value analysis (SVA) and environmental impact analysis (EIA). Relevant to our assessment are the following analyses:





- **CBA** – Loop uses the **GMCA Unit Cost Database**, which stores cost estimates in one place, to identify **fiscal** savings to UK Government and taxpayers associated with reduced costs for welfare benefits, Public Services, education, and environmental services etc. It is also used to identify **economic** benefits to HMRC associated with Tax, National Insurance and increasing earnings due to, for example, reduced worklessness and sickness days through employment, skills, and improved education. These cost estimates are continually reviewed as new research and analysis emerge and they are based on national costs taken from a range of government reports and studies.
- **SVA** - Loop uses the **Global Value Exchange**, which is an online database of outcomes, indicators and financial valuations from global government reports and academic studies, to identify the impact of improved **social** wellbeing created through good quality housing, jobs, apprenticeships, work placements, qualifications, community engagement etc.

Local Economic Impact

Local economic impact is the sum of LM3 and GVA. LM3 measures how income entering a local economy circulates within it, across three rounds of spending. The initial income of the organisation is round 1. Round 2 relates to how much the organisation spends locally (including local direct employees). And round 3 identifies how much of that local spending is then re-spent by the organisations’ employees and suppliers in the community.

To account for the additional local economic benefit, we sum up round 2 and 3. Location specific spending proxies for labour force and supply chains are used to carry out the LM3 calculation and they are taken from the Office for National Statistics (ONS). GVA provides a measure of how employment contributes to the wider economic prosperity of an area. Using ONS data, location specific GVA metrics are used to measure the local economic uplift resulting from local employment.

Impact Metrics (Additionality)

-  • **Deadweight** – What would have happened anyway regardless of the activity or project?
-  • **Attribution** – How much have you contributed to the delivery of the KPI as part of the project? Attribution is calculated based on other organisation’s contribution to delivering fiscal and economic outcomes, and a combination of ‘distance travelled’ against social (wellbeing) outcomes and the other organisations who contributed to delivering outcomes.
-  • **Displacement** – Were there any other negative outcomes as a result of your activity?
-  • **Drop off and Duration** – How much of that value still belongs to the organisation’s activity? Does it drop off with time?

Duration works differently for fiscal and economic values, and social. Fiscal and economic values last only as long as the activity or may be calculated on a per event basis. However, social values usually relate to wellbeing outcomes that often last longer than the activity. We automatically increase duration of social value benefits to account for this. Where outcomes last for more than one year, a drop off rate of 10% is applied.

Loop’s Labour Force Calculator

Construction impact is calculated using Loop’s Labour Force Calculator. Construction impacts are calculated on the basis of employment created from the construction of assets, including residential assets such as SSH.

The construction impact comprises:

1. **SROI** – the fiscal, economic, and social (wellbeing) impacts relating to the labour force required to construct the asset (apprenticeships, jobs created, jobs retained and work placements).
2. **LM3 + GVA** – local economic benefits relating to local supply chain spend and labour force in the region and the UK. We use the LM3 to calculate regional and national economic benefits and assume a 70% regional supply chain spend (with 20% leakage), based on standardised UK specific data, a 20% supply chain spend within the UK and 10% wastage. In relation to GVA, we assume 70% of the labour force is located within the region and the remaining 30% are within the UK.

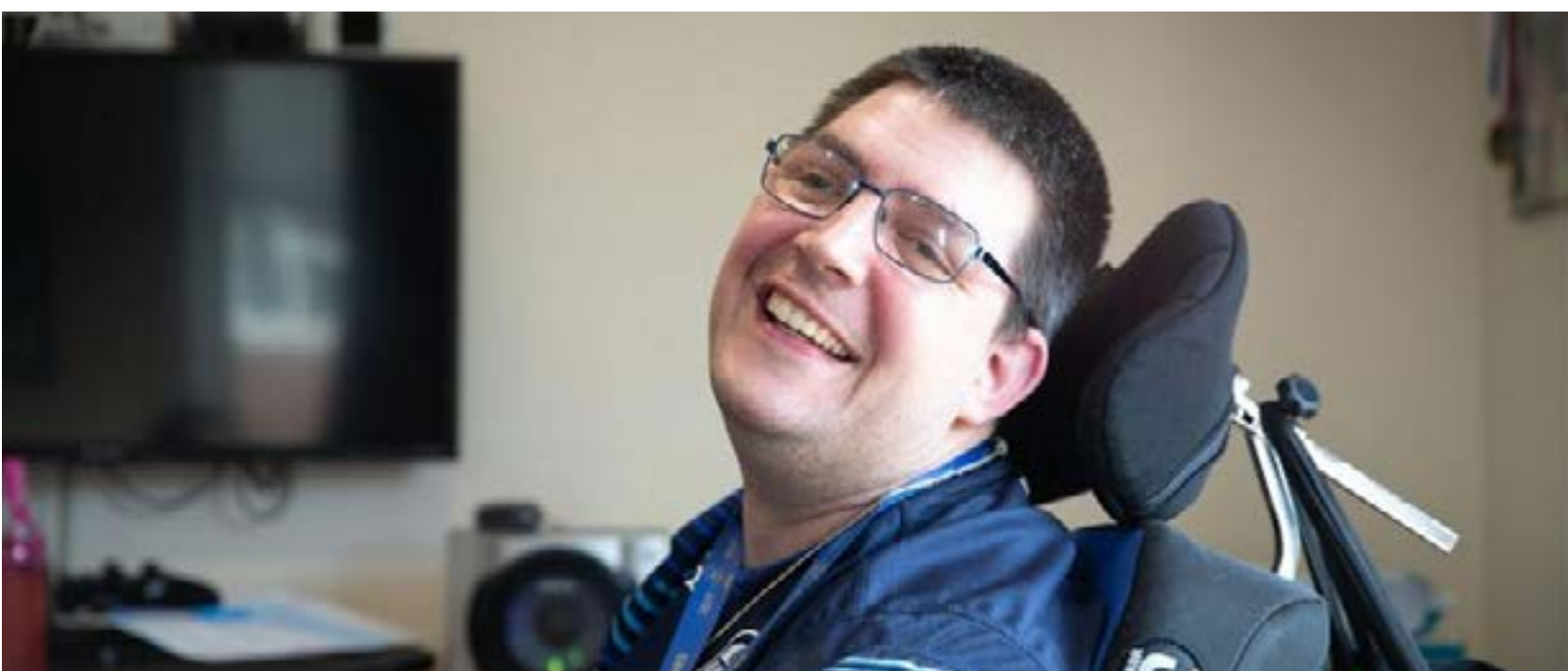
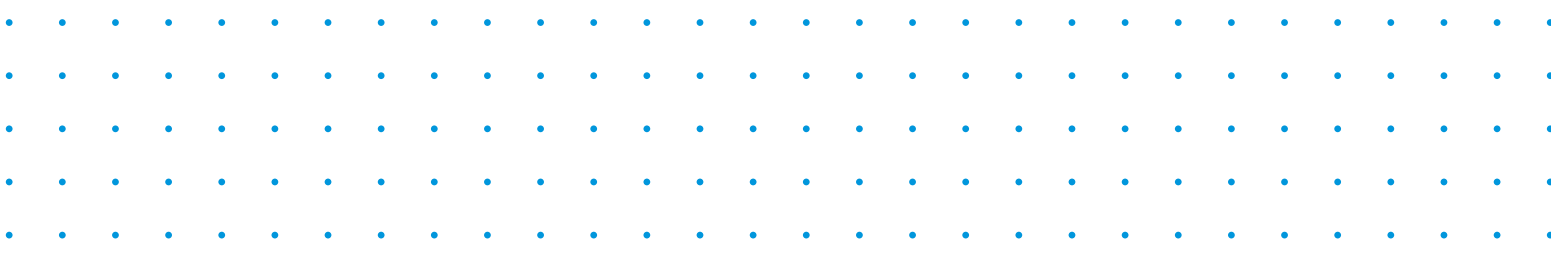
Resident Wellbeing

£56,256,825

To calculate the wellbeing impact created for residents living in IH we have used the SROI analysis framework, using proxy values to place values on social (wellbeing) outcomes identified through the 2019/2020 tenant satisfaction survey. IH has created **£56,256,825** in resident wellbeing.

IH Impact 2020/21

Resident Wellbeing	Total Population	Total Social (Wellbeing)	Total Social Value (SROI)
New IH Residents	711	£23,855,712	£23,855,712
Existing IH Residents	1670	£32,401,113	£32,401,113
Total residents	2381	£56,256,825	£56,256,825



Home Life Activities

£36,030

To calculate the impact of home life activities we have also used the SROI analysis framework, using proxy values to place values on social (wellbeing) outcomes associated with different types of activities delivered through IH's Home Life programme. Data was provided by IH regarding the number of residents benefiting from the programme of activities. IH has created **£36,030** in social value through the provision of Home Life activities. We note that due to the COVID-19 pandemic, just 12 of the 26 planned activities were able to go ahead within the reporting period.

IH Impact 2020/21

Homelife Activities	Total Population	Total Social (Wellbeing)	Total Social Value (SROI)
IH Residents	161	£36,030	£36,030

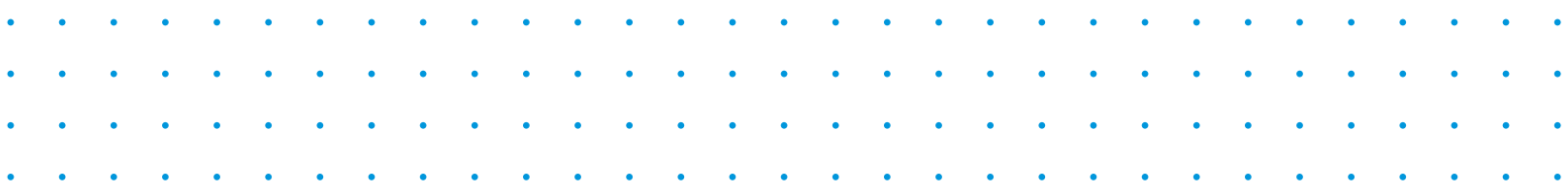
Savings to the Public Purse

£2,463,635

Cost of IH

The table below shows the anticipated annual cost to the public purse of residents living in IH in 2020/21.

IH Housing Type	Average Weekly Cost (2021 values)	Data Source ³	Resident Numbers	Cost (Weekly)	Cost Annual)
Supported Living	£1,710	Mencap 2018	711	£1,215,959	£63,229,884



Cost of Previous Housing⁴

The table below shows the anticipated annual cost to the public purse of resident's previous accommodation. Estimates of previous housing types were made based on responses to survey results.

Housing Type	Average Weekly Cost (2021 values) ⁵	Data Source	Estimate of Previous Housing Types	Cost (weekly)	Cost (Annual)
Hospital	£3,815	Mencap 2018	110	£419,650	£21,821,800
Residential Care	£1,918	Mencap 2018	98	£188,003	£9,776,166
Other Supported Housing	£1,710	Mencap 2018	279	£477,149	£24,811,727
Family Home	£921	Lifeways care rovider 2018	113	£104,111	£5,413,755
Private Rented Sector	£441	Greater Manchester Combined Authority, 2019	45	£19,830	£1,031,184
Temporary Accommodation	£176	Gov, 2019	14	£2,461	£127,983
Children's Home/ Foster Care	£3,585	Department for Education 2015	13	£46,605	£2,423,467
Hostel	£84	WORK gateways 2020	2	£168	£8,729
Sheltered Accommodation	£160.78	Live Better With 2020	16	£2,572	£133,765
Rough Sleeping	£536	HACT Social Value Bank 4.0	3	£1,609	£83,677
Local authority housing - General Needs	£192	Greater Manchester Combined Authority, 2019	4	£766	£39,838
Private registered provider - General Needs	£206	Greater Manchester Combined Authority, 2019	2	£412	£21,428
Owner occupier	£0	-	12	£0	£0
Total			711	£1,263,336	£65,693,519

³Figure of £1,569 adjusted for inflation
⁴Data sources can be found in the Appendix of this report.
⁵All figures reported in real values (adjusted for inflation).

Summary – Annual Savings to the Public Purse

The transition of residents from their previous accommodation into IH has led to an overall saving of **£2,463,635** to the public purse (a societal benefit) as a larger proportion of residents have moved from more expensive accommodation types. This is in contrast to the reported cost of **£700,445** during the 2019/20 reporting period.

Average Weekly Cost at Previous Accommodation	Average Weekly Cost in IH	Estimated Weekly Savings	Total Annual Cost at Previous Accommodation	Total Annual Cost in IH	Estimated Annual Savings
£1,776.85	£1,710.21	£66.64	£65,693,519	£63,229,884	£2,463,635

Construction Impact of new IH Homes £63,711,312

We have used our Labour Force Calculator to calculate fiscal savings to government, economic benefits to HMRC and taxpayers and social (wellbeing) impacts related to the construction of 17 new developments (217 SSH units). Local economic benefits (LM3 and GVA) have also been calculated. IH has enabled **£63,711,312** in social value and local economic impact through the construction of new IH homes.

IH Assets 2020/21	SROI	LM3	GVA	Total Social Value (SROI+LM3+GVA)
17 new IH Developments (217 units)	£9,645,191	£34,513,711	£19,552,410	£63,711,312

Summary

Bringing together all the information allows us to see the **total** social value and local economic impact that IH has created in 2020/21. IH has created **£122,467,802**.

IH Summary 2020/21	Fiscal Savings	Estimated Weekly Savings	Total Annual Cost at Previous Accommodation	Total Annual Cost in IH	Estimated Annual Savings
Resident Wellbeing	-	-	£56,256,825	-	£56,256,825
Savings to the public Purse	£2,463,635	-	-	-	£ 2,463,635
Home life activities	-	-	£36,030	-	£ 36,030
Construction Impact	£2,689,848	£3,855,703	£3,099,640	£54,066,121	£ 63,711,312
Total Social Value	£5,153,483	£3,855,703	£59,392,495	£54,066,121	£122,467,802



Appendix: Data Sources



The average weekly costs for Supported Living, Residential Care and Other SSH were taken from a 2018 report entitled 'Funding supported housing for all - Specialised Supported Housing for people with a learning disability' by Mencap and Housing LNI. https://www.mencap.org.uk/sites/default/files/2018-04/2018.052%20Housing%20report_FINAL_WEB.pdf

The average weekly costs for Residential Care, Hospitals and Other Supported Housing were taken from a 2018 report entitled 'Funding supported housing for all - Specialised Supported Housing for people with a learning disability' by Mencap and Housing LNI. https://www.mencap.org.uk/sites/default/files/201804/2018.052%20Housing%20report_FINAL_WEB.pdf

The average hourly cost for the Family Home category was provided by Lifeways – a social care company which provides supported living services for adults with learning disabilities, autism, and brain injuries. The hourly cost was multiplied by the average number of care hours received through the survey to produce an estimate of the average weekly cost.

The average weekly cost for the No Home/ Homeless category was taken from a 2015 report by Crisis and the University of York entitled 'At what cost? An estimation of the financial costs of single homelessness in the UK'. <https://www.york.ac.uk/media/chp/documents/2015/CostsofHomelessness.pdf>

The average weekly rent of private renters, local authority (general needs) and private registered providers (general needs) was taken from the Greater Manchester Combined Authority (GMCA) Unit Cost Database (2019). <https://www.greatermanchester-ca.gov.uk/media/2007/unit-cost-database-v20.xlsx>

The average weekly cost for temporary accommodation was taken from a Gov report – 'Housing in Cornwall 2019: Homelessness'. <https://www.cornwall.gov.uk/media/40377928/costs-of-homelessness.pdf>

The average weekly cost for children's home was found in a report published in 2015 by the Department for Education. 'Financial stability, cost charge and value for money in the children's residential care market'. https://ipc.brookes.ac.uk/publications/DfE_Childrens_residential_care_market_report-June2015.pdf

The average weekly cost of a hostel was provided by WORK gateways – New arrivals guide to the Cost of living in the UK and London. <https://www.workgateways.com/working-in-the-uk/cost-of-living>

The average weekly cost of sheltered accommodation was taken from Life Better With Dementia – 'Comparing the cost of care at home, sheltered housing and care homes'. <https://dementia.livebetterwith.com/blogs/advice/comparing-the-cost-of-care-at-home-sheltered-housing-and-care-homes>

The average weekly cost of rough sleeping was taken from the HACT Social Value Bank 4.0. <https://www.hact.org.uk/uk-social-value-bank>



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