

WEETU: A Social Return on Investment Analysis

28 November 2005

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“nef’s (the new economics foundation’s) social return on investment (SROI) analysis helps organisations understand and quantify the social value that they are creating. It is a valuation approach, developed from traditional cost-benefit analysis that captures social value by translating social objectives into financial, and non-financial, measures.”¹

WEETU’s Full Circle (FC) and STEPS programmes in Norfolk and Waveney assist women through training, support and peer lending to gain sustainable employment and / or self-employment.

WEETU commissioned **Enterprise Research**, with assistance from **nef**, to conduct an independent evaluation of WEETU’s programmes to assess their impact in terms of their effectiveness and social and economic return to society.

In this report we present the findings of our evaluation. We discuss the effectiveness of the programmes relative to their objectives and to national averages. We then estimate the social and economic returns generated by FC and STEPS, using **nef**’s approach to Social Return on Investment (SROI) analysis. Finally, we make recommendations based on our findings.

Full Circle and STEPS:
A Social Return on Investment Analysis
November 2005

European Social Fund - Equal

WEETU's Full Circle and STEPS programmes were supported by the European Social Fund (Phoenix Development Fund and Equal), Barclays and Natwest/Royal Bank of Scotland.

This report was funded by ESF Equal through the AWE partnership.



The new economics foundation (**nef**) has reviewed this report, dated 28 November 2005, for the purposes of assessing the social return on investment (SROI) analysis methodology in accordance with **nef**'s SROI framework (as of December 2005). In **nef**'s opinion, the author's SROI analysis of WEETU is consistent with the principles and methodology of the framework.

This report was researched and written by Jane Oliver of **Enterprise Research**, with the guidance and assistance of Susan Mackenzie and Jeremy Nicholls on behalf of **nef**.

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1. Executive Summary

Background

WEETU is a social enterprise which has served primarily the women of Norfolk and Waveney in East Anglia since 1987. It is also a community development finance institution (CDFI) and is a member of the Community Development Finance Association (CDFA). Additionally, WEETU is a member of Prowess and has been awarded Flagship status for provision of high-quality enterprise support.

WEETU's programmes are recognised for the fundamental confidence boost they provide to women in the region. Indeed, Full Circle's annual social impact evaluation² of the programme emphasises the importance of this type of change for helping women 'move on' in their lives. This benefit, however, is not always perceived as having a financial value. It is with this aim that WEETU commissioned **Enterprise Research** to conduct an independent evaluation of the impact of its programmes in terms of their effectiveness and social and economic returns to the wider community.

This evaluation of WEETU uses the New Economic Foundation's (**nef**) analysis called Social Return on Investment. 'SROI analysis is the process of understanding, measuring and reporting on the social, environmental and economic value that is created by an organisation'.³

WEETU's Full Circle (FC) and STEPS programmes operate throughout Norfolk County and Waveney Local Authority in Suffolk. They aim to increase women's economic and educational opportunities. FC provides training, support and small loans to women who wish to start up or develop a business while STEPS helps women to re-enter the workforce or gain a better paid job.

Full Circle has existed since 1998. The FC programme helps women to start up their own businesses, by offering a holistic package of support which includes confidence building and business skills training, small group networking and peer lending of small loans. Eligible participants must live in Norfolk or Waveney.

STEPS began January 1, 2001. The programme targets unemployed or low waged women who may or may not be on benefit. They may be unemployed because they have been the primary carer for children or elderly relatives, but now want to re-enter the workforce. The STEPS programme helps these women to reassess what knowledge and skills they have and then help them determine what new direction they would like and are able to go in.

During the study time period, WEETU employed 12.5 full-time equivalent staff. They included delivery staff for both the Full Circle and CTW programmes, as well as administrative and finance staff. Their Board of Directors which oversees the strategic direction of the company included six external members representing the university, business, banking, enterprise and voluntary sectors. An Industrial and Provident Society manages Full Circle's loan fund.

Key Findings

Building confidence is the key outcome which results from WEETU's programmes. Starting up a new business or gaining new employment are the monetised proxies for this outcome. So, our key findings are:

1. Stakeholders all want the same thing – jobs, training etc.
2. Impact map – WEETU is about building confidence, gained through employment or other new life choices.
3. Majority of participants went on to employment or self-employment.
4. Other agencies provide some support to WEETU clients, but it is suggested that clients would not have gained self-employment or employment without WEETU. There is no benchmark data to prove this, so we recommend that such data is found.
5. 62 clients, from the original 254, were unemployed or unwaged 12 to 18 months after they finished the programme. That is, they may not have changed their economic situation, but we are unclear what new life choices they experienced.
6. We have valued confidence by using self-employment and employment as a proxy for those that achieved these outcomes.
7. Our analysis:
 - a. understates the SROI because the value of confidence implicit in those going onto training is excluded, as is the value implicit in those making other life choices. We recommend that we value training and explore stakeholder engagement to see how clients' lives change in other ways;
 - b. may overstate SROI as both deadweight and attribution have been assumed low.
 - c. shows that, on balance, value is being created.

Specific numeric findings are:

- of the 254 starter clients, the majority of 192 were waged twelve to eighteen months after completing their programme, of which:
 - 121 women from Full Circle had gone self-employed or gained jobs
 - 71 women from CTW had gone self-employed or gained jobs
 - 91 new businesses were started
 - £7,280 was the average net income of new businesses
 - 101 new jobs were gained
 - £7,423 was the average wage of new jobs
- and the remaining 62 were unwaged, unemployed or had not changed their employment status.

As part of our evaluation, we estimated the social and economic returns generated by WEETU, using **nef**'s approach to social return on investment (SROI) analysis.

Enterprise Research's SROI analysis projects that:

- the social value generated by WEETU is £3,797,202 over and above the grant funding
- the social value per client is £12,391
- for every £1 invested in WEETU, £5.80 of social value would be created for society in terms of reduced welfare costs and increased tax contribution
- 192 employed clients need only to remain self-employed and/or employed for 6 months for the grant funding to be 'recovered'
- to break even on the programme investment, WEETU needs to assist 97 clients into sustainable employment each year.

In addition, there are several other benefits that either have not been monetised or not awarded proxies, due to the complexity of this first SROI or difficulty in or obtaining this data. Other important outcomes are:

- 14 Full Circle loans worth £13,503
- 22 Childminding loans worth £1,320
- 75 vocational qualifications from other STEPS programmes
- 8 workshadowing participants
- Change in family net income
- Change in health care costs.

By not including these outcomes in the SROI analysis, the social return calculations likely underestimate the true social value created by WEETU.

In conclusion, this study demonstrates that WEETU creates significant social and economic value in Norfolk and Waveney. WEETU aims to improve women's lives, especially unemployed or unwaged women, by improving their economic opportunities. They recognise and address the specific barriers to returning to work or starting a new business, particularly low self-confidence, domestic care responsibilities, and access to finance. By offering women-only training, during term time and school hours, and care and travel costs, they reach women that other organisations do not. Thus women attend programmes, gain self-confidence and qualifications, and either start a business or gain a job. By doing so, their economic and social lives have changed.

Recommendations

One of the key aims of an SROI analysis is to provide organisational feedback to help improve the effectiveness of delivery programmes. Given that an SROI analysis focuses on monetising tangible programme outcomes, the following recommendations focus primarily on WEETU's data collection and manage information systems. If these systems improve, then a second SROI analysis will capture the financial value of more activity in which WEETU engages, and therefore demonstrate an even stronger social and economic impact on the wider society.

Based on our evaluation, **Enterprise Research** makes the following recommendations:

- Collect additional benchmark and destination data of wages, business income and welfare benefits for each client.
- Capture other monetisable benefits of WEETU programmes to better reflect the social benefit generated by the organisation.
- Find or generate benchmark data on women from similar communities going into self employment.
- Target more disadvantaged women and increase the intake of new entrants who are on benefit.

2. WEETU Programme Background

In its December 2003 *Business Start-up Strategy*, the East of England Development Agency (EEDA) identified that the region had the lowest rates of female entrepreneurship of any English region.⁴ Also in 2003, *A Strategic Framework for Women's Enterprise* identified barriers "to the successful transition for many women into business, self-employment or a social enterprise". The list includes lack of appropriate business support, access to finance, the impact of caring and domestic responsibilities, difficulties in making a transition from benefits to self-employment or business ownership lack of appropriate role models, low levels of confidence and self-esteem.⁵ WEETU addresses all of these barriers through its Full Circle programme. In fact, it is a member of Prowess which has awarded Flagship status to WEETU for provision of high-quality enterprise support.

WEETU is a social enterprise which has served primarily the women of Norfolk and Waveney in East Anglia since 1987. It is also a community development finance institution (CDFI) and is a member of the Community Development Finance Association (CDFA). WEETU employs programme delivery staff, as well as administrative and finance staff. Their Board of Directors, which oversees the strategic direction of the company, includes external members who represent the university, business, banking, enterprise and voluntary sectors.

"WEETU's primary purpose is to assist women in Norfolk and Waveney to develop their economic prospects and to improve access to the local labour market through the provision of high quality employment and enterprise support services.

WEETU provides a unique service primarily for women who are interested in improving their social and economic circumstances by accessing careers advice and guidance, writing a CV, improving their skills, workshadowing or setting up in business. The services are designed specifically to meet the needs of women and address the barriers they face."⁶

WEETU's Full Circle and STEPS Programmes

During the study period, WEETU delivered the Full Circle (FC) and STEPS programmes. They were funded by grants totalling £650,000, including £630,000 from government (European Social Fund - Phoenix Development Fund and Equal) and £20,000 from two bank grants (£10,000 each from Barclays and Natwest/Royal Bank of Scotland).

Full Circle Programme

FC aims to increase the rate of self-employment among women in the Norfolk and Waveney area in the East of England.

“Since the Full Circle programme started in 1998, it has become an internationally recognised project helping hundreds of women to achieve their dream of working for themselves.”⁷

Programme Description

FC is a peer lending micro-finance business start-up programme inspired by the Grameen Bank example in Bangladesh. It targets unwaged and unemployed women in the Norfolk and Waveney area of East Anglia who wish to start a business. Disadvantaged women are prioritised, such as those who may be lone mothers, primary carers for elderly relatives, unemployed, on benefits, or suffering mental illness. Eligible women must live in Norfolk or the Waveney Local Authority of Suffolk in Eastern England. Childcare and travel costs are offered to anyone who comes onto the programme.

FC attracts new clients by offering half-day **Introductory** awareness sessions every six weeks or so. If the programme interests them they book one-to-one interview meetings with FC Enterprise Development Officers (EDOs). The EDOs then review all applicants one month or so before training begins. Priority is given to those who are most needy and/or have at least the beginnings of a business idea. They are invited to join the programme.

There are two training courses which the majority of clients attend. The first one is called ‘**Is Enterprise for Me? (E4ME)**’. It is a feasibility study of the client’s business idea as well as a personal development course which emphasises confidence building. Clients learn and practise skills such as time management, assertiveness and initial market research. The course emphasises a participative learning approach. The course lasts for six weeks and consists of one three-hour session (10am – 1pm) each week.

The second training course is called ‘**Business Skills**’. Those clients who have completed E4ME or who want to go straight into learning the technical aspects of running a business do this four-week course, consisting of two five-hour sessions (9.30am – 2.30pm) each week. Clients learn about bookkeeping, legal issues, marketing and other essential topics required for running a business.

Many clients continue to want a supportive structure while running their businesses. Thus networking between women is encouraged and organised in several ways. Firstly, FC has created a structure called **Lending Circles** to offer ongoing group support to combat isolation, a key barrier to self-employment. They consist of four to six women. Members name their Circle, receive set-up training, elect a Chair, Secretary and Treasurer, and are required to hold bi-monthly meetings for the first six months. Most clients who have taken the two training courses set-up new Circles. Also, women who have not gone through the training but are developing existing businesses are more likely to join an existing Circle.

Secondly, a **Centre meeting** is held every two months or so in Norwich. They enable: members of different Circles, throughout Norfolk and Waveney, to meet one another; non-Circle members to join existing or form new Circles; and EDOs to communicate new programme developments. Sometimes a

speaker is invited to present a business topic, often requested by Circle members.

A third networking method is '**The Chronicle**', a monthly e-zine of news, information, business, sales and training opportunities. The EDOs write it and email or mail it to all 'subscribers'.

The last core FC programme service is micro-loans. WEETU has set up an Industrial and Provident Society (IPS) which manages the programme's **loan fund**. Micro-loans of £1,500 for a first loan and £2,500 for a second loan are available to Circle members only. A potential borrower submits her business plan to her Lending Circle who scrutinise it and if satisfied with the detail, pass it on to the IPS with a loan application form. No collateral or credit checks are necessary.

Since the start of FC in 1998, WEETU has collected data to produce an annual **Social Impact Evaluation (SIE)**. It is a longitudinal study to measure the change in clients' self-confidence, financial literacy, access to resources and services, civic and community participation, and use of support networks. FC "has always been conceived of as a programme that develops social capital through the financial services, training and networking it offers... development of social capital is just as important a benefit and contribution toward the sustainability of a microcredit programme, as the financial flows are."⁸

In the study time period, training was held in Norwich, and the rural towns of Great Yarmouth, Diss and Fakenham. 154 clients registered for E4ME while 121 completed the course with a change in their employment situation. 14 loans were made worth £13,503.

Other programmes are delivered as part of Full Circle. In 2001, WEETU became a partner in the ESF-Equal programme, Accelerating Women into Enterprise (AWE). Through this partnership it joined with Norfolk Childminding Matters to provide the services of its loan fund. It aimed to disburse small loans to assist new **childminders** to register. In the same year, WEETU started selling **Full Credit**, the licence to the Full Circle programme. Between then and the start of the study period, four licences were sold to Full Credit Merseyside, East Midlands Development Agency, Head for Business in Deptford, London, and Incredit in Hertfordshire. The latter two programmes continue to operate and are marketed to a mixed gender clientele. Since the study period, a fifth licence, Full Credit Kent, was sold to North Kent Enterprise Agency. Sale of these licences has developed WEETU's and FC's national profile.

Partner Organisations

FC receives client referrals from a variety of local organisations. Job Centre Plus refers clients who are receiving benefits such as JSA, Income Support, or Childcare. Business support organisations, such as Business Link, Norwich Enterprise Agency Trust (NEAT), and Norfolk Chamber of Commerce, refer female clients who are at a pre-start or start-up stage of business development. Inland Revenue and private consultants deliver Business Skills training.

Business Link Norfolk funds The Chronicle. WEETU's STEPS clients may also move on to do FC after finishing STEPS.

Funder Targets

FC received funding from the European Social Fund/Phoenix Fund/Equal and two banks, Barclays and Natwest/Royal Bank of Scotland during the study's time period. Funder targets were sometimes non-specific, thus FC set their own targets and monitored them. Their key targets were:

- 9 E4ME courses to run with 122 clients completing
- 7 Business Skills courses to run with 80 clients completing
- 15 Lending Circles formed with 72 members
- 42 loans made worth £48,600.

STEPS Programme

STEPS aims to help unemployed women return to employment or education by offering a range of support services. It includes guidance, CV sessions, information and guidance (IAG) sessions, Choosing the Way (CTW) courses, vocational courses, CLAIT courses, and workshadowing. This suite of services aims to assist women to identify their existing knowledge and skills, determine what direction they wish to move towards, and then help them attain their new goals through training and further support. The ESF funded programme began in January 2001 and ends December 2005.

This study, however, will focus only on the CTW clients. This is because the nature of the programme enables WEETU to keep better track of clients and their progress (destinations).

CTW Programme Description

The STEPS-CTW course is a ten week course. Each week there is one three-hour morning session, during term time only. The aims of the programme are to identify skills, build confidence, recognise talents, improve job search skills, and examine choices for the future. It leads to an Open College Network (OCN) Level 2 qualification. Clients fulfil these aims by completing a skills audit, learning how to do a CV and fill in job applications, preparing for job interviews, and learning how to obtain relevant careers information and guidance, and preparing an action plan. An encouraging, supportive, and informal tutor attitude is promised to clients. This also enables clients to get to know other women on the course in order to share ideas and experiences.

A total of nine courses were held in the time period with 126 clients starting the course, and 100 clients completing. The courses were held in Norwich, and rural towns of Great Yarmouth, Loddon, Diss and Wells, towns which lie east, south and north of Norwich.

Partner Organisations

The key partner in the programme is Norfolk Adult Education who provides the course tutors and certificates. Otherwise, WEETU is responsible for recruiting clients, organising course registers, encouraging people to turn up, managing childcare and travel reimbursements, organising refreshments and venues, and mailing certificates to clients.

Funder Targets

ESF funded the STEPS-CTW programme. The key outcome targets were:

- 8 CTW courses to run
- 182 clients to start course
- 70 clients to finish course
- 62 OCN qualifications.

Some CTW clients go on to register with FC once they finish CTW and decide they want to start-up a business. It is not clear how many CTW clients make this transition, though relatively few do. The effect of any overlap in outcomes (double counting) is tested in the Sensitivity Analysis by changing the rate of drop-off.

3. WEETU Programme Outcomes

WEETU aims to improve the employment and enterprise opportunities primarily for women in Norfolk and Waveney. It has run a wide variety of programmes that focus on this aim. These programmes produce a variety of outcomes. Some of these outcomes have targets which are demanded by and reported to funders (see Table 1), such as number of courses run, amount of loans disbursed, number of qualifications earned. Other outcomes are not necessarily targeted but may be reported or recorded for internal usage only. They include, for example, new business contacts made through networking, employees employed by new businesses, changes in the net income of households, increased levels of local purchasing, better paid jobs, and volunteer positions. Full Circle also generates an annual Social Impact Evaluation report which captures more intangible benefits such as changes in confidence, financial literacy, participation in civil society, use of formal sources of advice and guidance and improved life choices.

Perhaps the most important outcome is that of improved confidence. If the women who attend WEETU's programmes gain in self-confidence, they are more likely, for example, to start-up a business, apply for a more interesting or better paid job or gain a new qualification.

This study uses clients' self-employment and employment outcomes (see Table 2) as a proxy for the variety of outcomes WEETU's programmes produce. The outcomes comprise those 192 clients (the majority of the 254 starters) who set up in business or obtained a job or better job after they completed the FC and STEPS-CTW programmes between 1 September 2003 and August 31 2004. The remaining 62 clients were unwaged, unemployed and on benefit or experienced no change in employment. Client destination outcomes are derived from the WAYN 2005 survey, and therefore include those clients who were still employed or self-employed one to one-and-a-half years after they finished either FC or CTW training.

Outcomes Analysis

Full Circle Outcomes

In this study we emphasise self-employment and employment outcomes for FC clients. These are outcomes which can be measured and monetised for the SROI analysis in the following chapter. They are a proxy for the wide variety of outcomes that clients experience.

There were 154 clients who started the *Is Enterprise for Me?* self-employment training programme in the study time period. Their outcomes (destinations) are derived from the *Where are you now?* (WAYN) Survey conducted in June 2005. Of the 154 starter clients, 121 clients were waged and had changed their employment status after completing the programme.

Waged client destinations are categorised into full-time and part-time self-employment or employment, or a combination of both. The 121 completers were waged: 75 were self-employed (30 were full-time self-employed, 32 were part-time self-employed, 7 were part-time self-employed and part-time employed over 16 hours per week, 7 were part-time self-employed and part-time employed under 16 hours per week), 46 were employed (22 were employed full-time, 17 were employed part-time over 16 hours, and 7 were employed part-time under 16 hours).

Thirty-three completers were unwaged or unchanged in employment status (16 were unwaged, 11 were unemployed and on benefits, 6 continued to be part-time employed). These clients may not have changed their employment status, because they may have discovered that self-employment was not for them, and therefore left the programme during or after completing E4ME or Business Skills training. These clients, however, may have attained an OCN qualification, improved their confidence, or participate more actively in civil society.

FC clients who go self-employed do not always start up new businesses immediately after finishing training or even while they are members of Circles. There can be a time lag, between finishing training and starting a business, of perhaps a year. Thus, clients who did the E4ME training in April 2004, Business Skills in June and then set up a Circle, may not have been running a business by the end of the study period, that is 31 August 2004. Nevertheless, given that the last WAYN survey was conducted in June 2005, these outcomes reflect clients' change in circumstance one to one-and-a-half years after completing FC and therefore represent those clients who experienced a delay in setting up a business.

The consequence of a long time lag, especially for women who are on benefits, is that they experience a reduction in income when they set-up a new enterprise. If they are trading for more than 16 hours per week then they must come off benefit. However, income at the initial start-up phase is known for its variable levels in the first year of trading. WEETU and Prowess have lobbied for government to account for this by increasing the earnings disregard in line with inflation.⁹

Part of the reason why a programme like FC is required is that a business to some women is, more often than not, a part-time income earner, done from home that replaces a dependence on benefits. Turnover may be only £5,000 per year. Some women may end up working part-time and running a business part-time, others may work full-time and run a business part-time, or run a business part-time and study part-time.

Official government statistics of business start-ups is based on the number of VAT registrations in a year. These figures however do not account for all those people, often women, who do not register for VAT because their turnover is less than the current VAT threshold of £60,000. This study does utilise figures from the BETA model which collects data on all businesses, including those that are not VAT registered.

Full Circle Case Study: Client A

Client A says she attributes quite a lot of her success to WEETU. 'I have my doubts if I would have set up or at least got going as quickly as I did. That is, I left my job in December 2003, then started my business in August 2004. The programme gave me impetus.'

She is well educated with a BA in Zoology. After university she obtained a job in zoo education at a local wildlife park, where she gave public talks to children. After then moving to a recycling job with Suffolk County Council, she decided she wanted to return to zoo education, but to start her own business. In this way she felt she could control the ethics of the business, particularly how to care for the animals, and she would not have to 'tow a company line' that she believed was untrue.

Client A found WEETU advertised in the Yellow Pages. The staff seemed approachable and she understood the ethos of the Full Circle programme, learning that the Grameen Bank inspired it. She went to WEETU because she did not know how to do what she wanted to do, and because she believed WEETU is 'right to deal with women separately because they knew what not to do'. Also, she experienced a 'real lack of support in Suffolk', that Business Link Suffolk, for example, was not as 'go-ahead'. She thought WEETU seemed less intimidating than other business support organisations. 'It all fell into place nicely.'

Client A did both Is Enterprise for Me? and Business Skills courses, and joined a Circle in April 2004. She felt the programme gave her motivation, group support, knowledge, a structure to follow, and affirmed that she knew what she was doing. She has had additional support from WEETU staff such as public relations opportunities. She has applied to do a Part-time Masters in Sustainability (environment and development), an interest she developed through her involvement with WEETU and their 'social ideas'.

Early on, Client A felt that her Circle was productive. Now she feels it is losing forward motion. Also, she has tried all the organisations listed under business services in the Yellow Pages. Those from whom she feels she has had the most help are business support organisations such as Prince's Trust, Norfolk and Waveney Enterprise Services, Business Link Suffolk, Waveney Businesswomen's Network, and part of Beccles Business Association. She has received support, particularly from her mum, and feels she also has had good luck.

When Client A started her business, her income dipped. Now, one year on she feels it is back to roughly where it was when she was employed. She feels her business is where she had hoped it would be at this point. Now she has achieved her original objectives she is thinking of reviewing and changing her business objectives.

Table 1: Summary of WEETU Programme Outcomes

FC Outcomes	Actual	Target	STEPS Outcomes	Actual	Target
Introductory Meetings	19	12	Guidance Sessions	121	74
Attendees	220	208	CV Sessions	29	46
One-to-one Interviews	176	143	IAG Sessions	282	198
E4ME Courses	9	9	CTW Courses	9	8
E4ME Completers	117	122	CTW Completers	100	70
Business Skills Courses	9	7	CTW - OCN Qualifications	21	62
Business Skills Completers	93	80	Vocational Qualifications	75	66
Lending Circle formed	12	15	Workshadowing Participants	8	7
Lending Circles Members	62	72			
Centre Meetings	4	3			
Full Circle Loans	14	42			
Amount of Loans	£13,503	£48,600			
Childminder Loans	22	20			
Amount of Loans	£ 1,320	£ 1,200			
Full Credit Presentations	13	24			
SIE Report	1	1			
Issues of The Chronicle	5	6			

STEPS-CTW Outcomes

For STEPS-CTW clients, outcomes are defined as those women who gained employment or self-employment, and therefore improved their economic situation.

There were 100 clients who registered for the CTW programme in the study time period. Their outcomes (destinations) are derived from the *Where are you now?* (WAYN) Survey conducted in June 2005. Of the 100 starter clients, 71 clients were waged and had changed their employment status after completing the programme, while the remaining 29 were unwaged or unchanged in employment status.

Client destinations are categorised into full-time and part-time self-employment, employment or a combination of both. That is, the 71 completers were waged: 55 were employed (15 were employed full-time, 17 were employed part-time over 16 hours, 23 were employed part-time under 16 hours), 16 were self employed (6 full-time self-employed, 6 part-time self-employed, and 4 combined employment with self-employment).

Twenty-nine completers were unwaged or unchanged in employment status (17 unwaged and 12 unemployed and on benefits).

Table 2: Summary of FC and CTW Self-Employment / Employment Outcomes

SELF- / EMPLOYMENT OUTCOMES		
FC Outcomes		
Self-Employed Destinations	Clients	Average Net Income
Self-employed full-time	30	£ 9,445
Self-employed part-time	31	£ 3,510
Self-employed part-time and employed part-time over 16 hrs	7	£ 9,594
Self-employed part-time and employed part-time under 16 hrs	7	£ 7,020
# New business starts	75	£7,392
Employed Destinations	Clients	Average Wages of New Jobs
Employed full-time	22	£12,675
Employed part-time over 16 hrs	17	£ 6,084
Employed part-time under 16 hrs	7	£ 3,510
# New jobs	46	
TOTAL waged	121	£7,423
Unwaged	16	-
Unemployed and on benefits	11	-
No change in employment	6	-
TOTAL other destinations	33	
TOTAL FC STARTER CLIENTS	154	
STEPS (CTW) Outcomes		
Self-Employed Destinations	Clients	Average Net Income
Self-employed full-time	6	£ 9,445
Self-employed part-time	6	£ 3,510
Self-employed part-time and employed part-time	4	£ 8,307
# New business starts	16	£7,087
Employed Destinations	Clients	Average Wages of New Jobs
Employed full-time	15	£ 12,675
Employed part-time over 16 hrs	17	£ 6,084
Employed part-time under 16 hrs	23	£ 3,510
# New jobs	55	
TOTAL waged	71	£7,423
Unwaged	17	-
Unemployed and on benefits	12	-
TOTAL other destinations	29	
TOTAL STEPS STARTER CLIENTS	100	
TOTAL WAGED FC & STEPS	192	
TOTAL OTHER FC & STEPS	62	
TOTAL STARTER CLIENTS	254	

Choosing the Way Case Study: Client B

Client B found out about WEETU from a friend who did Choosing the Way. "My friend went to WEETU and took the baton and ran. I needed her to convince me I was doing the right thing." Client B had low self-esteem and confidence, could not 'get past' a seven-year mental breakdown, was scared to leave her house, had separated from an abusive husband, had two unmotivated children, was very overweight, and was working six hours per week, earning £100 per month as a part-time cook/cleaner. She felt, however, that her life needed a change. With her friend's encouragement, she registered for STEPS. She had no expectations.

One of the STEPS tasks is for clients to pick three things they might like to do. The course facilitator suggested clients explore new paths by volunteering in a chosen field. Client B decided she wanted to be a mental health counsellor. One thing led to another. She chose the charity Scope and began volunteering in October 2004. She then applied for and won a job as the shop's Assistant Manager. Currently, she is aiming to gain her Manager's job and then that Manager's job!

Client B attributes her changes to STEPS, WEETU staff and her course peers. "STEPS educates women and helps them improve their view of themselves, which then helps them to change. " The help from the other women was "gentle, as they coax you into going in other directions. The process is so gentle and smooth you don't know it's happening." Also, "WEETU convinced me I was good enough to do the job. They helped me organise my CV. All the women there are positive and gave me the confidence to do what I thought was impossible."

Client B says STEPS created a 'ripple effect' in her life. She realises she is better than she thought she was, that she feels completely turned around. "I am so confident and cocky now. Seven to eight months I wouldn't have said things that I say now." As a result, she gets on worse with her parents because she says things to them she could not say before. Most importantly, Client B confronted her father who had abused her as a child. It was this early experience, she says, that led her to accept an abusive relationship. Once she had confronted her father, however, she moved on. She asked her husband to return to the household but under her conditions. "He had to negotiate for his return. He is with me again because I allow him to be."

Client B's relationship with her children has improved because she has "more time and patience." She says her sixteen year old daughter is more confident, is standing up straighter, and is beginning a college course on animal care. She has been working part-time, earning £190 per month. Her fourteen year old son, who has ADHD, now does two part-time gardening jobs and earns £200 per month.

Client B also has lost three stone since finishing the course. And she says she is "earning more money than I thought I was capable of earning", that is £900/mo. She is out of the house 7am-7pm, working full-time, five days per week.

"The changes are 100% due to the programme and the women on it. The programme forced me to look inward, where I was going. I didn't look at what was happening to me before. Without the programme I would have stayed where I was and my life would not have changed. The known is comfortable though it is not always where you need to be."

Considering WEETU Outcomes in a Wider Context

In this section, we place FC and STEPS-CTW outcomes in the context of funder objectives and make an assessment of what would have happened to the participants if FC and STEPS-CTW did not exist.

Funder Objectives

Full Circle

The government and banks had several participant related outcome targets. Firstly, they wanted the general economic prospects to improve for local women. FC has existed since 1998 and has an international reputation for successfully helping women from Norfolk and Waveney to start-up new businesses. So successful is the programme model, that since 2001, five licences have been sold to other organisations in England wanting to help women and men in their area start-up in business.

Secondly, funders wanted to see an increase in the number of women starting their own businesses. There is a need for targeted female support. The rate of self-employment is 5.4 per cent for women in Norfolk compared to 16.2 per cent for men or one-third the rate.¹⁰ There are women-specific barriers such as lack of access to appropriate business support and finance and the impact of caring and domestic responsibilities. Just under half, 75, of the starter clients were self-employed after they finished the programme.

Thirdly, they wanted to see an increase in employment of local women. Just over a third, 46, of the starter clients were employed after they finished the programme. Fourteen of these women were both part-time self-employed and part-time employed.

Fourthly, they wanted to see an improvement in the business skills of FC clients. Of the 121 clients who did the Business Skills course, 93 completed it (77%). This course provides marketing, bookkeeping, sales and other key business skills. Additionally, 62 clients joined Lending Circles. These members would therefore have regular (fortnightly for the first 2 months, and monthly for the next 4 months) contact with other self-employed and/or employed individuals and therefore continue to receive support for their businesses, at least morally, from their peers.

Fifthly, they wanted to see women entrepreneurs borrow small loans through Full Circle's unique peer lending programme. Fourteen loans were disbursed worth a total of £13,503.

STEPS-CTW

The funders had a variety of objectives for the various facets of the STEPS programme. We focus on the CTW objectives only. Firstly, funders wanted to see an improvement in the economic prospects of women in Norfolk. STEPS started January 1, 2001. The programme provides training to help women to return to the labour market. The programme is targeted at those women who have been out of the labour market for an extended period of time and therefore have lost confidence and job search skills, or who are in low paid

jobs and want to redirect themselves but are unsure how to. This study focussed on the CTW clients. Out of the 100 starter clients, 71 were waged by the end of the time period.

Secondly, the funders wanted to see an increase in the number of women employed. Out of the 100 starter CTW clients, 55 were employed (15 full-time and 40 part-time), and 16 were self-employed (full-time and part-time, and both employed and self-employed).

Thirdly, funders wanted to see local women gain new qualifications (Open College Network). Twenty-one clients in the CTW programme attained an OCN qualification out of the target of 62. This low outcome is because there is a time delay between submitting work for the OCN certificates and receiving them.

What Would Have Happened Anyway (Deadweight)

The calculated deadweight is a combination of both FC and STEPS-CTW clients, as some from each programme attained self-employment and/or employment.

WEETU's WAYN 2005 survey shows that 53% of the waged clients gained employment (101) and 47% gained self-employed (91), one to one-and-a-half years after completing either the FC or STEPS programmes. We therefore calculate the deadweight for each type of destination and combine the deadweights according to the proportion of each programme's clients.

For employed clients, we use NOMIS data on Job-seekers' allowance (JSA) claimants as a proxy. NOMIS data for unemployed females, aged 25-49 years, from Norfolk and Waveney in the time period, show that an average of 62 per cent stopped claiming Income Support for employment.¹¹ Given the nature of WEETU clients, we have reduced this deadweight by half to 30 per cent. Thus we assume that 30 per cent of the 101 employed clients who completed the programme (30 clients) would have gained employment without WEETU.

For self-employed clients, we estimate a deadweight of 10 per cent. This estimate is on the basis of the WAYN survey where 7 per cent were self-employed at the start of the programme, and assume that a few more would have started their own businesses anyway. Thus 10 per cent of the 91 self-employed clients, or 9 women, would have gone self-employed anyway.

We then average these two deadweights according to the proportion of FC and STEPS-CTW outcomes. 63 per cent of the outcomes are FC (121/192) and 37 per cent of the outcomes are CTW (71/192). The combined deadweight rounded down is 20 per cent.

4. Social Return on Investment

Background¹²

*“The **nef** SROI framework helps organisations understand and quantify the social value that they are creating. It is a measurement approach, developed from traditional cost-benefit analysis that captures the economic value of social benefits by translating social objectives into financial measures.”*

What is SROI?

“SROI analysis is the process of understanding, measuring and reporting on the social, environmental, and economic value that is created by an organisation. For example, when a previously unemployed person completes a training programme and starts a new job, not only does she increase her personal income, but also she creates value for the government by paying taxes and no longer claiming welfare benefits. Thus, the impacts of the training programme are both social and economic, the value of which SROI was designed to measure.”

“SROI is the discounted, monetised value of the social value that has been created and which can be measured by an organisation. Comparing this value to the investment required to achieve that impact produces an SROI ratio. It takes standard financial measures of economic return a step further by capturing social as well as financial value.”

Nef’s Approach

“SROI was pioneered by REDF, a San Francisco-based venture philanthropy fund. The concept has since been adopted by organisations in various fields, including social enterprise, socially responsible investing (SRI) and government, in an attempt to assess social aspects of their investments. However, there is no universally accepted method of assessing social returns.

In 2003, **nef** began exploring ways in which SROI could be tested and developed in a UK context. An important goal of the project was to advance an approach to SROI that is as widely applicable and usable as possible.

Three key features in **nef**’s SROI framework are a stakeholder approach, an impact map and an estimation of the value that would have been created irrespective of the intervention (referred to by **nef** as ‘deadweight’).

First, as it is based on social and environmental accounting principles, **nef**’s approach makes explicit a process for involving stakeholders, in which each stakeholder identifies her/his own social objectives for the programme.

Secondly, **nef**'s impact map provides a framework for organisations to better understand how their work creates impacts, and gives them a pathway to start impact measurement at a point appropriate to their own organisational capacity and priorities. By developing an understanding of the 'business' of the organisation, how it meets its objectives, and how it works with its stakeholders, an organisation can create its own impact map, linking inputs (resources) through to impacts through four distinct levels: inputs, outputs, outcomes, and impacts.

Third, **nef**'s SROI analysis provides a method for estimating how much of the benefits would have happened anyway, (i.e. 'deadweight') by making use of available benchmark data.

Furthermore, the **nef** framework recognises that there will be some benefits that are important to stakeholders but which cannot be monetised. An SROI analysis should not be restricted to one number, but rather it presents a framework for exploring an organisation's social impact, in which monetisation plays an important but not exclusive role." The seven key stages to SROI analysis are outlined in Table 3 of Appendix A.

SROI Analysis of WEETU

SROI analysis is suitable for WEETU programmes as they generate monetisable social benefits such as increased self-employment and employment. For example, we can measure and monetise the social value of self-employment and employment, to the client through net increased income (i.e. wages less lost welfare benefits and increased taxes), and to the State through reduced welfare payments and income support and increased tax contribution. The social value created by WEETU is assessed against the programme's investment, measured by grant funding from the government and banks.

Our analysis does not attempt to measure the less tangible benefits to our chosen clients, such as increased confidence gained through improved knowledge and skills, change in family net income or increased local purchasing by clients. Thus the social returns calculated in this analysis will understate the true social value created by the Full Circle and STEPS-CTW programmes.

That is, the sheer variety of outcomes created by the FC and STEPS programmes make the financial calculations too complex for this first SROI analysis of WEETU. Additionally, WEETU does not collect comprehensive destination data for each client they assist. Instead, they do an annual aggregate survey of all clients from previous years programmes, called 'Where are you now?' Thus, the outcomes data source for the analysis used for this study are based on percentage results of the survey applied to the known registered clients on FC and CTW courses during the study year. The outcomes are therefore inexact. The sensitivity analysis, however, attempts to account for any incorrect assumptions made.

Depending on the nature of clients' employment, differential income and tax levels were used to calculate the benefit to clients and State.

In this section, we present a summary of the social return calculations. We also consider the impact of deadweight (i.e. what would have happened anyway, without the help of WEETU) and drop-off (i.e. the assumption that created social value will decrease over time as some clients' businesses will fail or they will leave their jobs). Please refer to Appendix A for more detail on **Enterprise Research's** SROI analysis of the programme.

Attribution/Share of Outcomes

For the FC programme, the majority of participants are women who start at the E4ME training stage. These women tend not to have used any other organisation to help them start-up a new business. Business Link refers such clients to WEETU, NEAT does not offer a women-only two-stage training programme, and neither does NWES, which operates in the Great Yarmouth area. Women who come to WEETU want specifically the Full Circle programme. Trainers, however, are consultants and formal or informal partners who share the outcomes. We estimate their share of the outcome as 5 per cent. That is, the prime share of the programme outcome goes to WEETU because they would find other deliverers if need be.

For STEPS-CTW, again the women who participate tend not to have used other organisations to help them return to work or education. Job Centre Plus refers benefit claimants specifically to this programme. Nevertheless, Adult Education trains the clients and therefore share in the outcomes. Again, we estimate their share of the outcomes as 5 per cent, because the programme would go ahead with other providers if this partner pulled out. For example, two-to-three of the programme's trainers were involved earlier with WEETU as clients or staff, which means other such women could be found to do this training.

Thus the social value created by increased self-employment and employment is shared by WEETU and to a small extent, two other organisations. We therefore attribute 90% of the created social value to WEETU. We have however tested this assumption in the sensitivity analysis (see Appendix A: Table 13), applying assumed attributions as low as half and one-third. Crucially, the SROI ratio continues to be above 1:1.

Value Added

Value added measures in absolute terms, the value that an organisation has created through its activities. It is the difference between the net present value of benefits and the net present value of investment.

$$\text{[Value Added]} = \text{[Net Present Value of Benefits]} - \text{[Net present Value of Investment]}$$

The social value created by the programme over a five-year period is projected to be £3,797,202. This translates into value added of £3,147,202, that is, the social value of the programme over and above the costs of the investment (£650,000 grant funding). A total of 254 clients registered for the

FC and STEPS-CTW programmes in our study's time period (September 1, 2003-August 31, 2004). Therefore, value added per client is £12,391.

WEETU value added: £3,147,202 = £3,797,202 - £650,000

SROI

SROI measures the value of the benefits relative to the cost of achieving those benefits. It is the ratio between the net present value of the benefits to the net present value of the investment. For example, a ratio of 3:1 indicates that an investment of £1 delivers £3 in social value.

$$[SROI] = \frac{[Net\ Present\ Value\ of\ Benefits]}{[Net\ Present\ Value\ of\ Investment]}$$

The projected SROI ratio for WEETU is 5.8:1. Thus, we can expect that, for every £1 invested in the Full Circle and STEPS programmes, £5.80 of social value would be created for society in terms of reduced welfare costs and increased tax contribution. Although comparable data does not yet exist for similar programmes, any return greater than 1:1 is a good result, and justified further investment in the organisation.

$$WEETU\ SROI: \underline{5.8:1} = £3,797,202 / £650,000$$

Payback Period

Payback period is the period over which the value of the benefits equals the value of the investment. It is the minimum period over which the benefits should occur for the investment to be worthwhile; the longer the period required before positive returns are achieved, the riskier the return. A short payback period is generally desirable. However, a long payback period is a feature of activities that can generate significant, long-term change, thus requiring longer-term, core funding.

The projected payback period for WEETU's programmes is 6 months, based on the 192 clients still self-employed or employed one to one-and-a-half years after they finished training. This indicates that clients must sustain self-employment or employment for 6 months for the employment-related benefits to cover the costs of the programme.

A 'break-even' number of clients can also be calculated. Based on current grant funding levels and estimated annual employment benefits, funders 'recover' their investment with only 97 clients in sustainable self-employment or employment each year.

Sensitivity Analysis

Since our calculations depend largely on assumptions, it is wise to test the sensitivity of those assumptions on the SROI. A table detailing sensitivities of all assumptions is included in Appendix A, Table 7.

Changes in most baseline assumptions produce disproportionately smaller changes in the SROI ratio. That is, changing a given assumption by x per cent impacts the SROI ratio by less than x per cent. For example, increasing the drop-off rate by 100 per cent, from 10% to 20%, lowers the SROI ratio only by 17 per cent, to 4.8 from 5.8.

The social returns are not especially sensitive to any of the assumptions.

Crucially, the SROI ratio remains above 1:1 for all assumption adjustments.

Moreover, the greater impact is on the payback period, rather than on the SROI ratio. For example, if the total clients who sustained their self-employment or employment had been 96 (half the number attained), rather than 192, then the payback period would have doubled from 6 months to 12 months.

Methodological Conclusions

Based on these results, we wish to emphasise the following methodological conclusions:

1. Clients who gain sustainable self-employment or employment, on average, increase their net annual income by £1,125. This is not particularly sensitive to the annual self-employment income and employment wage assumptions. For example, increasing annual full-time self-employment income by 5 percent (to £10,000/yr) and annual full-time employment wages by 15 per cent (to £14,625 through a £1/hr increase) results in an average incremental net annual income of £1,465. That is, a 5 per cent increase in annual self-employment income and a 15 per cent increase in annual wages translates into a 23 per cent increase in incremental net annual income.
2. The State also benefits substantially. For each client in sustainable self-employment or employment, the State gains, on average, an incremental £6,343 per year, through reduced welfare benefits and income support and increased tax contribution.
3. The relatively low costs of the programmes, translate into relatively high social returns (i.e. value added and SROI) even after taking into account attribution assumptions.
4. Although there is a six month payback period, destinations of particularly self-employed clients still need to be collected one to one-and-a-half years after clients finish training. As we noted earlier, clients do not always start-up a business immediately after they finished FC Business Skills training.
5. There are many less tangible benefits that have not been incorporated into the model, such as increased confidence gained through improved knowledge and skills, change in family net income or increased local purchasing by clients. Thus the social return calculations likely underestimate the true social value created by the FC and STEPS-CTW programmes.

6. We have calculated Outcomes on the assumption that 192 clients, of the 254 clients who registered for FC (154) and STEPS (100), sustained either self-employment or employment one to one-and-a-half years after they completed the programmes. This 'success' figure derives from percentage destination figures resulting from the WAYN survey conducted in June 2005. If WEETU were to follow-up specific clients' actual destinations, then the exact figure of number of clients who have sustained self-employment or employment would lead to a more accurate SROI.

5. Conclusions

Lack of opportunity in life, particularly for women, is rooted in economic disadvantage. Research has shown there are female specific barriers to starting up in business, such as inappropriate business support, lack of access to finance, and domestic caring responsibilities. Women, particularly mothers, also face significant barriers to returning to work, such as low self-confidence, lack of direction, and out-of-date qualifications and experience. For those women who are further disadvantaged, such as lone parents or those with a history of mental illness, even stronger barriers discourage them from moving forward. Many women who are lacking in confidence and/or looking for new direction, knowledge and skills prefer to receive training and support from an organisation which specialises in helping women.

WEETU aims to improve the economic position of women living or working primarily in Norfolk and Waveney by addressing their specific needs and barriers to starting up in business or gaining employment. Their Full Circle programme provides holistic self-employment support which includes confidence building, business training, networking in small groups, and access to small loans. Their STEPS programme provides information and guidance sessions, CV advice, vocational qualifications, and training for returners to work. Both programmes offer free childcare and travel costs. All their programmes routinely offer women-only training. WEETU is an organisation that is sensitive to and skilled at addressing specific needs of women, particularly those who face multiple barriers.

In the year, September 2003 to August 2004, there was significant programme impact. Particularly important outcomes were the 121 women from FC and 71 women from STEPS-CTW who gained self-employment or employment.

In the FC programme, 220 women from Norfolk and Waveney attended 19 Introductory meetings. 117 women completed E4ME training and 93 completed Business Skills training in 9 courses run in Norwich, Diss, Yarmouth and Fakenham. 12 Lending Circles formed with 62 members, and 4 Centre meetings were held. 14 loans, worth a total of £13,503, were disbursed to help women set up in business.

In the STEPS programme there were 282 information and guidance sessions, 121 guidance sessions, and 29 CV sessions. 9 Choosing the Way courses were run with 21 OCN qualifications awarded. 75 vocational qualifications were also awarded and there were 8 clients who engaged in workshadowing.

In terms of SROI and value added, there was also significant impact. We estimate that ninety per cent of the FC and CTW programme outcomes can be attributed to WEETU. Given this rate of attribution, **Enterprise Research** projects that for the study year, September 1, 2003 to August 31, 2004, the social value of WEETU is £3,147,202 over and above the grant funding. Per client the social value is £12,391. For every £1 invested in WEETU, £5.80 of

social value would be created for society in terms of reduced welfare costs and increased tax contribution.

Moreover, the 192 employed clients need only to remain self-employed and/or employed for 6 months for the grant funding to be 'recovered'. To break even on the programme investment, WEETU needs to assist 97 clients into sustainable employment each year. Over a five-year period, FC and STEPS-CTW clients benefit, on average, by an incremental £1,125 per year. The results show that grant funding is a worthwhile investment for it can be more than recovered by an organisation's clients.

This first SROI analysis of WEETU demonstrates how the organisation generates significant social and economic value for clients and society. For the first time in WEETU's history, a proven cost-benefit analysis model monetises the social value it creates.

6. Recommendations

One of the key aims of an SROI analysis is to provide organisational feedback to help improve the effectiveness of delivery programmes. Given that an SROI analysis focuses on monetising tangible programme outcomes, the following recommendations include those directed at WEETU's data collection and manage information systems. If these systems improve, then a second SROI analysis will capture the financial value of more activity in which WEETU engages, and therefore demonstrate an even stronger social and economic impact on the wider society.

Based on our evaluation, **Enterprise Research** makes the following recommendations:

1. **Collect additional client benchmark and destination data.**
For a more accurate SROI analysis, WEETU should collect specific figures on each client's starting wages, self-employment income levels, and welfare benefits. As for destination data, **Enterprise Research** recommends that WEETU replace their aggregate annual 'Where are you now?' survey with individual client follow-up surveys capturing the same financial data. Doing so at one and two year intervals will ensure that any delayed business start-ups after training are captured.
2. **Capture other monetisable benefits of WEETU programmes.**
If Recommendation One is implemented, it will be possible to increase the complexity of the SROI analysis by capturing more monetisable benefits generated by WEETU. Doing so would reflect more of the social benefits generated by programmes and therefore more accurately demonstrate WEETU's contribution to the local economy.
3. **Find benchmark data on women from similar communities going into self-employment.**
If WEETU wants to prove that targeted women-only support for unemployed or low waged women significantly improves their chances of finding long-term, sustainable self-employment, then benchmark data is needed on women from similar communities going into self-employment. Currently a key Office of National Statistics NOMIS destination category is 'found work' and does not distinguish between those who have gained employment or self-employment.
4. **Target more disadvantaged women.**
A minority of new programme entrants, just under 40 per cent, were on benefit when they joined WEETU. To make these women the majority beneficiaries, targeted outreach is required. This could mean more New Deal clients, more Job Centre Plus clients, or more clients who live in highly deprived parts of Norfolk and Waveney such as Cromer, Great Yarmouth, and Lowestoft.

7. Appendix A

SROI Framework and Analysis¹³

The Appendix sets out the framework for **nef**'s approach to SROI analysis. It also reveals **Enterprise Research**'s estimations of the social returns by WEETU's programmes, derived through **nef**'s seven-stage process, defined in Table 3.

Table 3: Key stages to preparing an SROI analysis

1. Boundaries	Define the organisation or programmes, geographies covered, and a time period. Explain how, if at all, income and expenditure are broken out into social and economic elements.
2. Stakeholders	Identify stakeholders, their overarching goals, and their specific objectives for the programme. Prioritise key stakeholders and objectives. Identify common or overriding objectives.
3. Impacts	Identify how the programme works and how the programme affects key stakeholders (linking this to stakeholders' objectives). Capture this through an analysis of Input, Output, Outcome, and Impacts.
4. Indicators	Identify appropriate indicators for capturing Inputs, Outputs, Outcomes, and Impacts. Identify monetised equivalent values for the indicators, using averages and estimates where information is not available. Use deadweight to take account of the extent to which outcomes would have happened without the intervention.
5. Data collection	Collect data relating to indicators.
6. Model and calculate	Create a discounted cash flow model using gathered data and projections. Calculate the net present value of benefits and investment, total value added, SROI and payback period. Use sensitivity analysis to identify the relative significance of data.
7. Consider and present	Consider and present the results in a way that brings out the subtleties and underlying limitations and assumptions.

Stage 1: Boundaries

Our SROI analysis specifically concerns the FC and STEPS-CTW programmes run by WEETU. It covers the new programme delivery year of September 1, 2003 to August 31, 2004. The delivery of WEETU's programmes tend to follow the school year, as it ties in with clients' schedules, many of whom have school-going children. This particular time period was chosen as it was the most recent complete programme delivery year prior to the date of the analysis.

Though WEETU ran other programmes during this time period, these two programmes were chosen because the outcomes were similar, that is employment and self-employment, while comprehensive baseline data is collected on both sets of clients. As it is, the destinations of even these two sets of clients are varied, making income and benefits calculations complex. It was felt that for this first attempt at calculating SROI, we should regulate the types of complexity.

For those individuals who successfully started a business and/or obtained a job, after completing the programme, we forecasted returns over a five-year period. We used a five-year period as we believe that five years is long enough to capture most of the benefits generated by FC and STEPS-CTW, while not so long as to grossly overestimate the programme's impacts.

Finally, as WEETU does not generate a financial profit, the projected returns are purely socio-economic and no financial aspect was considered.

Stage 2: Stakeholders

Key FC and STEPS-CTW stakeholders and their objectives are listed in Table 4. The **nef** model differentiates between overarching goals and objectives. Many stakeholders have broad and wide-ranging objectives, such as to reduce unemployment or to improve the local economy. However, small local programmes with tightly targeted clients and outcomes are unlikely to impact significantly regional unemployment levels. Further, a range of organisations and projects which work in partnership and over a lengthy period of time, make it problematic to isolate the impact of any one initiative.

Yet, within their overarching goals, stakeholders will have objectives specific to a given programme, and it is these objectives that are relevant to a programme specific SROI analysis. And a programme-specific objective is often a means of achieving an overarching goal, in addition to being an end in itself. For example, a client may achieve her specific objective of setting up a successful business or finding permanent employment at the end of a programme, but in doing so, may also improve her overall levels of confidence or net family income.

The stakeholder map for Full Circle and STEPS stakeholders is based on the following information:

- **Clients:** We conducted 6 client interviews, 4 Full Circle clients and 2 STEPS-CTW clients. The interviews were important for checking

assumptions about benefit amounts, employment income and self-employment turnover levels. Baseline data primarily came from WEETU's client databases. Destination data came from WEETU's annual 'Where are You Now?' survey conducted in June 2005. Percentages of different client destinations obtained through the survey were applied to the actual registered client data for the study time period. The total numbers of waged clients for each of the programmes thus was derived from a combination of survey and registered client data.

- **Funders:** information was gathered from WEETU's bid proposals and reports.
- **Staff:** Information was based on interviews with two WEETU employees and one ex-employee who was involved with the Full Circle programme for the past seven years, starting from its inception.
- **Board members:** we interviewed two Board members.
- **Partners:** we interviewed two partner organisations. They were from Business Link Norfolk and an invited speaker/trainer from Inland Revenue.
- **Banks:** no Bank representatives were available for interview, so we obtained information from WEETU staff.
- **Government:** we interviewed one local and one regional government representative.
- **Social services:** we interviewed a key representative, from Job Centre Plus, which refers clients to both programmes at WEETU.

Stage 3: Impact Map

Outputs vary by stakeholder, but are largely time and resources of the respective individual or organisation. The two sets of funders, government and banks, provide the entire programme funding (i.e. investment) against which the social returns are measured (see Table 5).

The target outputs of FC are trained clients, networking (new Lending Circles), and finance for business start-up, while for STEPS-CTW it is trained clients and social interaction. FC staff play a large part in the success of the programme throughout the county. They do most of the outreach to potential clients, facilitate the E4ME training, train, set-up and monitor Lending Circles, and 'sell' loans to clients. Freelance consultants, who specialise in particular topics, are the main people to facilitate the Business Skills training.

Partners facilitate the STEPS courses, and then WEETU staff follow-up the clients with any further assistance such as CV advice or job interview support.

Desired outcomes for FC, resulting from the successful graduation from training, joining of a Lending Circle and possibly taking out of a loan include the set-up or development of a business or sustainable employment or a combination of both. The training and support from staff is important for the clients to achieve the outcomes, but continued support from their Circle members is crucial for long-term sustainability of new businesses.

Desired outcomes for STEPS-CTW resulting from clients' attendance on the course, include obtaining a new job or a job with better wages. Though the training is important, much of the value of the programme comes from the interaction between clients attending the course.

Impacts are Outcomes adjusted for deadweight and displacement.

Self-employment and employment objectives

In Stage 2, we identify overriding stakeholder objectives as new business starts and sustainable employment for the clients. Thus we will focus the remainder of the analysis on the benefits to clients and the government, as these are the most readily monetisable.

The key outcome of WEETU's programmes is increased self-confidence. The proxies for this outcome are new business starts, new jobs, further training, volunteer positions, and increased life choices. It is not clear how many of these clients go onto further training or volunteering so we have not created a value for this proxy. We have monetised only those who gain some sort of employment. Of the 254 starter clients, 192 gained self-employment or employment, while 62 remained unemployed or unwaged, or did not change their employment status.

There is also difficult in monetising the outcomes among other stakeholders. Thus we have excluded the objectives of Full Credit licensees and their clients; staff opportunity for professional development; the Board's outcome of a sustainable organisation; banks' outcomes of obtaining new business from WEETU clients; funders' outcome of increasing educational employment; and local colleges' outcome of maintaining a partnership with WEETU.

Other monetisable benefits which might be captured in the future are:

1. Loans issued to clients in the cohort.
2. Employees of WEETU clients (though care needs to be taken not to double-count outcomes, in that the business' income pays for the employee's wages).
3. Health care usage/costs of WEETU clients.
4. Value of childminders (to the extent that these new childminders provide care that parents could not obtain otherwise).
5. Value of the sale of Full Credit licences.

6. Average increase in client wages/income before and after programme.
7. Net income increase of client households.
8. Local purchasing by WEETU clients.

We assume that attribution is only 10 per cent. WEETU does the majority of work with the clients, and depends on partners for some referrals and training assistance. The programmes would carry on without these partners' help, as WEETU would find other sources of referral or trainers.

Stage 4: Indicators

Indicators follow from the revised impact map (excluding certain stakeholders' and outcomes' objectives), and thus focus only on client and government stakeholders, and specifically on outcomes and impacts of new business starts and sustainable jobs for the clients (see Table 8).

We adjust outcomes for deadweight, the number of clients who would have set up a business or obtained a job without the help of FC or STEPS-CTW (i.e. what would have happened anyway). We make an assumption of 20 per cent. This figure combines the deadweights for self-employed (10%) and employed (30%) women, largely based on NOMIS data (employed) and the results of the WAYN survey (self-employed) as starting points. This means that only 20 percent of those who did gain employment would have if it had not been for WEETU. We have assumed this relatively low deadweight because the women who tend to come to WEETU have low levels of self-confidence. Thus, without WEETU they would not have grown in confidence as fast or as effectively and would have been less likely to have obtained employment.

We assume displacement to be nil given the difficulty of particularly unemployed women lacking in self-confidence to start up in business, return to employment or advance into a better paid job without the specific training and support provided by either FC or CTW.

Furthermore, to avoid double counting outcomes, we are excluding all stakeholders except clients and the government, as they all hold the same outcomes' objectives.

Table 4: WEETU Stakeholders Map

Key Stakeholders and Objectives			
Overriding objectives: sustainable employment and self-employment			
Stakeholders	Description	Overarching Goals	Objectives
Full Circle clients (154)	<ul style="list-style-type: none"> • Enterprise for Me • Business skills • Lending Circle • Childminder loan recipients 	<ul style="list-style-type: none"> • Gain clarity in self-redirection • Review aspirations and achieve them • Contribute to household income • Improve self-employment potential 	<ul style="list-style-type: none"> • Meet like-minded people • New knowledge and skills • Re-orient/direct/structure oneself • Gain motivation • Build self-confidence and self-esteem • Start own business • Networking / peer support • Finance for business start-up
Full Credit licensees (3) and clients	<ul style="list-style-type: none"> • Organisations who have bought the licence to the Full Circle programme 	<ul style="list-style-type: none"> • Improve economic prospects of local people 	<ul style="list-style-type: none"> • Increase number of people starting own business • Increase employment of local people • Improve economic prospects for local people
STEPS clients (100 CTW) (15 CLAIT) (118 Vocational)	<ul style="list-style-type: none"> • Choosing the Way course • CLAIT • Vocational (Health & Safety, First Aid, etc) 	<ul style="list-style-type: none"> • Increase employment and educational opportunities 	<ul style="list-style-type: none"> • Get a job • Build self-confidence • Social interaction
Clients' families	<ul style="list-style-type: none"> • Families of clients 	<ul style="list-style-type: none"> • Improve quality and stability of lives 	<ul style="list-style-type: none"> • Increase family income
Staff (12 FTE)	<ul style="list-style-type: none"> • Full Circle staff • CTW / CLAIT/ Vocational staff • Admin staff 	<ul style="list-style-type: none"> • Earn income from employment • Improve economic opportunities for local women 	<ul style="list-style-type: none"> • Be employed • Opportunities for professional development • Help clients achieve goals

Table 4: WEETU Stakeholders Map continued

Board (7)	<ul style="list-style-type: none"> Local representatives from public, private and voluntary sector 	<ul style="list-style-type: none"> Enable organisational sustainability Improve economic and educational prospects of local women 	<ul style="list-style-type: none"> Diversify own knowledge Sustain organisation Improve economic prospects for local women
Funders (12)	<ul style="list-style-type: none"> DTI-Phoenix Fund ESF Esmee Fairburn Trust Norfolk County Council North Norfolk District Council RBS/Natwest Bank Barclays Bank Lottery Fund 	<ul style="list-style-type: none"> Reduce local female unemployment rates Reduce number of benefit recipients Increase local female self-employment rates Improve economic prospects for local women Increase number of qualified women Increase qualification levels of women 	<ul style="list-style-type: none"> Get women into work Get women to start up businesses Further the business skills of WEETU clients Get women into education Get women to improve educational levels Increase number of childminders (for AWE programme)
Partners (12)	<ul style="list-style-type: none"> Freelance workers Norfolk Early Years Development and Childcare Partnership Business Link Workshadowing companies 	<ul style="list-style-type: none"> Help women improve their economic and educational opportunities Improve quality of childminding in county 	<ul style="list-style-type: none"> Be paid for services Register new childminders Support women starting up new businesses Identify and recruit skilled employees
Local colleges (2)	<ul style="list-style-type: none"> Norwich City College Easton 	<ul style="list-style-type: none"> Build local partnerships Increase course fee income 	<ul style="list-style-type: none"> Register women in new training courses
Banks (3)	<ul style="list-style-type: none"> Barclays Natwest CDFI 	<ul style="list-style-type: none"> Grow business Build partnerships 	<ul style="list-style-type: none"> Improve economic prospects for local women

Table 4: WEETU Stakeholders Map continued

Government	<ul style="list-style-type: none"> • National (DTI/SBS) • Regional (EEDA) • Local (Norfolk, Norwich, etc.) 	<ul style="list-style-type: none"> • Improve local economy • Reduce local deprivation • Reduce local unemployment rates • Increase tax and NI contribution • Reduce benefit payments 	<ul style="list-style-type: none"> • Increase tax contribution • Reduce benefits payments
Social services	<ul style="list-style-type: none"> • Jobcentre Plus 	<ul style="list-style-type: none"> • Help unemployed people, esp disadvantaged in labour market, to find sustainable employment 	<ul style="list-style-type: none"> • Reduced benefits • Signpost beneficiaries to appropriate support to enable them to find jobs
Local community	<ul style="list-style-type: none"> • Residents • Community organisations 	<ul style="list-style-type: none"> • Increase employment rates • Improve local economy • Reduce local deprivation 	<ul style="list-style-type: none"> • Increase local employment • Increase local purchasing

Table 5: WEETU Impact Map

Impact Map			
Stakeholders	Inputs	Outputs	Outcomes
Full Circle Clients	<ul style="list-style-type: none"> ▪ Clients' time and resources 	<ul style="list-style-type: none"> ▪ Trained clients ▪ Networking ▪ Finance for business start-up 	<ul style="list-style-type: none"> ▪ New business start-up ▪ New job ▪ Further education ▪ Higher self confidence ▪ More life choices
STEPS clients (CTW)	<ul style="list-style-type: none"> ▪ Clients' time and resources 	<ul style="list-style-type: none"> ▪ Trained clients ▪ Social interaction 	<ul style="list-style-type: none"> ▪ Obtain a job – better and/or more pay ▪ Further education ▪ Obtain volunteer position ▪ Higher self confidence
Government	<ul style="list-style-type: none"> ▪ Funding 	<ul style="list-style-type: none"> ▪ Trained clients ▪ Finance for business start-up 	<ul style="list-style-type: none"> ▪ Increase tax and NI contribution ▪ Decrease benefits payments
Banks	<ul style="list-style-type: none"> ▪ Funding 	<ul style="list-style-type: none"> ▪ Learn more about women's enterprise 	<ul style="list-style-type: none"> ▪ New business from WEETU clients ▪ Improve economic prospects for local women
Funders	<ul style="list-style-type: none"> ▪ Funding 	<ul style="list-style-type: none"> ▪ Trained clients ▪ Finance for business start-up 	<ul style="list-style-type: none"> ▪ Improve economic prospects for local women ▪ Increase number of women starting own business ▪ Increase employment of local women ▪ Increase educational enrolment ▪ Increase number of childminders (for AWE programme)

Table 6: WEETU Indicators

Impact Map: Indicators				
Stakeholders	Inputs	Outputs	Outcomes	Impacts
Full Circle clients	<ul style="list-style-type: none"> Number of clients 	<ul style="list-style-type: none"> Number of completers 	<ul style="list-style-type: none"> Number of new business starts Average net income of new businesses Number of new jobs Average wages of new jobs 	<p><i>Deadweight:</i></p> <ul style="list-style-type: none"> Number who would have started a business without FC Number who would have obtained a job without FC <p><i>Displacement:</i></p> <ul style="list-style-type: none"> Assumed nil given nature of client population
STEPS (CTW) clients	<ul style="list-style-type: none"> Number of clients 	<ul style="list-style-type: none"> Number of completers 	<ul style="list-style-type: none"> Number of new business starts Average net income of new businesses Number of new jobs Average wages of new jobs 	<p><i>Deadweight:</i></p> <ul style="list-style-type: none"> Number who would have started a business without STEPS Number who would have obtained a job without STEPS <p><i>Displacement:</i></p> <ul style="list-style-type: none"> Assumed nil given nature of participant population
Government	<ul style="list-style-type: none"> funding 		<ul style="list-style-type: none"> Net increase in tax contribution Net decrease in benefits payments 	<p><i>Deadweight:</i></p> <ul style="list-style-type: none"> Number who would have started a business without FC or STEPS Number who would have obtained a job without FC or STEPS <p><i>Displacement:</i></p> <ul style="list-style-type: none"> Assumed nil given nature of participant population
Banks	<ul style="list-style-type: none"> funding 			
Funders	<ul style="list-style-type: none"> funding 			

Stage 5: Data Collection

The data and assumptions used in the model are summarised and discussed in Table 7.

See Table 2 for the following waged/unwaged outcomes. Wages for employed clients and income for self-employed clients were calculated for each of the FC and CTW programmes. For FC, seven different types of **waged destinations** were identified (self-employed full time, self-employed part-time, employed full-time, employed part-time over 16 hours, employed part-time under 16 hours, part-time self-employed and part-time employed over 16 hours, part-time self-employed and part-time employed under 16 hours). For CTW, 6 different types of waged destinations were identified (the same except only 1 category of part-time self-employed and employed).

Business income for **full-time self-employed** was estimated at £9,445 based on a WEETU survey of FC Lending Circle members conducted in 2004; it was estimated that if clients ran a **part-time business**, they would keep their income under the tax threshold (£3,510/yr); a **full-time wage** was estimated to be above minimum wage at £6.50/hr, while a **part-time wage** was estimated to be minimum wage or £4.50/hr.

To then simplify modelling, the financial worth of each of these different types of waged outcomes were then blended into one wages/income figure proportional to the number of clients completing each programme.

We then assumed a growth rate of 5 per cent, applied to the blended wages/income figure. This is because research has shown that women tend to undercapitalise their businesses, often using personal savings.¹⁴ Additionally, many of the women who join the Full Circle programme want to start-up part-time businesses, to supplement other sources of household income. Thus they are not necessarily focused on a high-growth business model.

Once WEETU collects more comprehensive destination data for each client, such as wages and income when they started the programme and after they completed the programme (perhaps 1 to 1.5 years later), then more accurate figures can be used in the calculations. Because WEETU does not have data at the individual client level we have applied the outcomes of a different client population to the study cohort. Yet, these populations may have different attributes (e.g. WAYN captures ex-clients who have been out of the programme for a much longer time).

192 waged clients are calculated as the outcomes from 254 registered clients, based on the results of the WAYN 2005 survey. That is, percentages of clients going into one of seven waged destinations for FC and 1 of 6 waged destinations for CTW were applied to the known number of starter clients. The proportion of clients who were unwaged or unemployed/on benefit, according to the WAYN survey results, were calculated to be 56 and not counted as outcomes. Another 6 clients were calculated not to have

changed their part-time employment status, between starting and finishing the FC course.

For the drop-off assumption, data from the Beta Model¹⁵ suggests that average failure rates for trading entities in Norwich with one-to-five employees is about 10 per cent annually. This figure was applied to all outcomes.

Table 7: Summary of SROI Model Data and Assumptions

Indicator	Value	Source
Employment / Self-employment Assumptions		
Wages/turnover across participants	£7,300/yr	Enterprise Research estimate based on average of FC and CTW client destinations (PT/FT employment and/or self-employment), education level and statutory minimum wage rates (destinations determined by WEETU WAYN 2005 survey)
Wages / turnover annual growth	1.5%	Growth equal to inflation rate target (National Statistics/BBA website)
Welfare benefits	£170/wk (x 38% of all clients)	Enterprise Research estimate of housing and council tax assistance, based on client interviews and Jobcentre Plus experience; % of clients based on WEETU WAYN 2005 survey
Income Support / JSA benefits	£110/wk (x 38% of all clients)	Enterprise Research estimate based on client interviews and statutory rates of Income Support (£94/wk = statutory £56/wk plus add'l for lone parents and children) and child benefit (£16/wk for first child); % of clients based on WEETU WAYN 2005 survey
Income tax	0% < £4680	Statutory rates (no tax payable under £4680/yr = average of £4615/yr (Apr03-Apr04) and £4745/yr (Apr04-Apr05); 10% tax payable above first £1990 = average of £1960 (Apr03-Apr04) and first £2020 (Apr04-Apr05)
	10% for £4680-£6670	
	22% > £6670	
National Insurance - Client (self-employed)	£2/wk + 8% of net profits	Statutory rate for self-employed (Class 2=£2/wk; Class 4=8% of net profits)
National Insurance - Client (employed)	11% > £90/wk	Statutory rates (£90/wk = average of £89/wk (Apr03-Apr04) and £91/wk (Apr04-Apr05)
National Insurance - State	23.8% > £90/wk	Statutory rates (11% from employee and 12.8% from employer)
Deadweight: employment / self-employment	20%	Enterprise Research assumption based on combination of deadweights of 30% of employed and 10% of self-employed, proportional to share of FC/CTW clients
Drop off: employment / self-employment	10%	Based on BETA model data which shows that there is a 90% survival rate of small businesses year on year.
Displacement: employment / self-employment	Nil	Based on nature of client population

Table 7: Summary of SROI Model Data and Assumptions continued

Other Assumptions		
Investment	£650,000	Government grant funding of £630,000 and bank grant of £20,000, based on actual receipt of funds (programme spending)
Discount Rate	5%	LIBOR* rate of 2.1% plus risk
Time period	5 years	"nef assumption based on balance between desire to capture most of benefits generated but also not to overestimate impact"
WEETU share of outcome	90%	Enterprise Research assumption based on extent of benefit contributed by partner organisations. Partners primarily contribute training - consultants train FC clients in Business Skills, Adult Education tutors train CTW clients

*BBA Libor is the most widely used "benchmark" or reference rate for short term interest rates. LIBOR stands for the London Interbank Offered Rate and is the rate of interest at which banks borrow funds, in marketable size, in the London interbank market.

Stage 6: Model and Calculate

The SROI model is detailed in Table 9. The return calculations are show below. The FC and STEPS-CTW share figures refer to **Enterprise Research's** assumption that WEETU contributes, on average, 90 per cent to the social value created through the self-employment and employment of the client group. This is for those who started the programmes (254).

Value added

The value added calculations are presented in Table 8 and discussed further in Section 4.

Table 8: Value Added of FC and STEPS-CTW Programmes

	Net Present Value of Benefits	FC/CTW Share	Net Present Value of Costs	Value Added	FC/CTW Share	Value Added per client	FC/CTW Share
Total benefits	£6,394,552	£5,755,096	£650,000	£5,744,552	£5,170,096	£22,616	£20,355
less deadweight	£5,115,641	£4,604,077	£650,000	£4,465,641	£4,019,077	£17,581	£15,823
less drop-off	£5,273,891	£4,746,502	£650,000	£4,623,891	£4,161,502	£18,204	£16,384
less deadweight and drop-off	£4,219,113	£3,797,202	£650,000	£3,569,113	£3,212,202	£14,052	£12,646

*VA per client based on total of 254 clients who began the programmes in the study time period

Table 9: SROI model for FC and STEPS-CTW Programmes

EMPLOYMENT/SELF-EMPLOYMENT	Year 1	Year 2	Year 3	Year 4	Year 5
Average benefits to each FC/CTW client					
Client wages/turnover	£7,300	£7,410	£7,521	£7,633	£7,748
Less welfare lost	-£3,359	-£3,359	-£3,359	-£3,359	-£3,359
Less JSA/Income Support lost	-£2,174	-£2,174	-£2,174	-£2,174	-£2,174
Less increase in tax contribution	-£341	-£365	-£390	-£415	-£440
Less national insurance	-£301	-£311	-£322	-£333	-£343
Net benefit per client	£1,125	£1,200	£1,276	£1,353	£1,432
Benefits to State (per client)					
Welfare saved	£3,359	£3,359	£3,359	£3,359	£3,359
JSA/Income Support saved	£2,174	£2,174	£2,174	£2,174	£2,174
increase in tax contribution	£341	£365	£390	£415	£440
increase in national insurance	£469	£486	£504	£522	£540
net benefit to the state	£6,343	£6,384	£6,426	£6,469	£6,513
Combined net benefit	£7,468	£7,584	£7,702	£7,822	£7,944
total participants in employment / self-employment					
	192	192	192	192	192
less deadweight	154	154	154	154	154
less drop-off	192	173	156	140	126
less deadweight and drop off	154	138	124	112	101
total annual benefits (benefits x (employment+self-employment))	£1,433,795	£1,456,164	£1,478,869	£1,501,915	£1,525,306
less deadweight	£1,147,036	£1,164,931	£1,183,095	£1,201,532	£1,220,245
less drop-off	£1,433,795	£1,310,548	£1,197,884	£1,094,896	£1,000,753
less deadweight and drop off	£1,147,036	£1,048,438	£958,307	£875,917	£800,603

SROI

The SROI calculations are presented in Table 10 and discussed in Section 4.

Table 10: SROI of FC and STEPS Programmes

	Net Present Value of Benefits	FC/CTW Share	Net Present Value of Costs	SROI	FC/CTW Share
Total benefits	£6,394,552	£5,755,096	£650,000	9.8	8.9
less deadweight	£5,115,641	£4,604,077	£650,000	7.9	7.1
less drop-off	£5,273,891	£4,746,502	£650,000	8.1	7.3
less deadweight and drop-off	£4,219,113	£3,797,202	£650,000	6.5	5.8

Payback Period

The payback calculations are presented in Tables 11 and 12 and discussed in Section 4. To be conservative we consider only employment and self-employment related benefits.

Table 11: Payback Period of FC and STEPS-CTW Programmes

Indicator	Description	Value
Number of clients in sustainable self-employment / employment	clients still self-/employed as at June, 2005	192
Net combined benefit per client in year 1	For client and the State	£ 7,468
FC & CTW share of benefit per client	90% of £7,468	£ 6,721
Aggregate FC and CTW share of benefit	192 x £6,721	£1,290,415
Investment	Grant funding	£ 650,000
Months those 192 clients must remain self-employed / employed to break-even on investment	$(£650,000 / £1,290,415) \times 12$	6 months

Table 12: Payback of FC and STEPS-CTW Programmes in terms of Clients Self-Employed/ Employed

Indicator	Description	Value
Net combined benefit per client in year 1	For client and the State	£ 7,468
FC & CTW share of benefit per client	90% of £7,468	£ 6,721
Investment	Grant funding	£ 650,000
Required number of clients into sustainable self-employment / employment each year to break-even on investment	$£650,000 / £6,721$	97 clients

Sensitivity Analysis

A sensitivity analysis is presented in Table 13 and discussed further in Section 4.

Table 13: Sensitivity Analysis

Indicator	Baseline Assumption	New Assumption	SROI
BASELINE			5.8
Attribution/Share of Outcomes	90%	33% 50%	2.1 3.2
Drop off rate	10%	5% 20%	6.4 4.8
Investment	£650,000	£550,000	6.9
Discount Rate	5%	8%	5.4
Clients in sustainable self-employment / employment	192	142	4.3
Average yearly income/wage	£7,300	£8,300 £6,300	6.7 5.0
Deadweight:employment	20%	30%	5.1

8. Notes

¹ nef (forthcoming) *Social Return on Investment Analysis: a practitioner guide* (nef, London).

² Oliver, J. (2005) *WEETU-Full Circle: Social Impact Evaluation- 2005 Annual Report* (WEETU, Norwich).

³ *Op cit.*

⁴ Prowess (2005) *The Regional State of Women's Enterprise in England* (Prowess, Norwich), p.51.

⁵ SBS (2003) *A Strategic Framework for Women's Enterprise* (SBS, London), p.8.

⁶ WEETU website, home page summary (www.weetu.org)

⁷ WEETU website, Full Circle page.

⁸ *Op cit*, p.4.

⁹ Nef (2003) *Who Benefits?* (nef, London)

¹⁰ Office of National Statistics (2005) *Labour Market Statistics* (Office of National Statistics, London).

¹¹ Office of National Statistics (2005) *Claimant Count Statistics* (Office of National Statistics, London).

¹² This section first appeared in *Getting out to Work Merseyside: A Social Return on Investment Analysis* (nef 2004, London).

¹³ Mackenzie, S. and Nicholls, J. (2004) *Getting out to Work Merseyside: A Social Return on Investment Analysis* (nef, London).

¹⁴ Carter, S., Tagg, S. and Brierton, J. (2002) *Restricted Access: Women-owned Businesses in Profile* (Prowess, Norwich).

¹⁵ 'The Beta Model' (www.betamodel.com) provides UK business population statistics using primarily registrations in the local business directory/yellow pages. This means it captures non-VAT registered businesses unlike the Inland Revenue-defined 'businesses'.