

Existing Evidence Showing the Social Return on Social Return on Investment from the Prisoners as Advisers Project.

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In 2010 research was undertaken to assess the Social Return on Investment (SROI) of a volunteer project that assisted in the rehabilitation of prisoners from Sudbury Prison. The aim of the research was to determine the outcomes and benefits generated by the project to the stakeholders involved. These were measured by examining a financial value according to the social good generated, which is expressed by proxies or average statistical figures.

This document will re-examine this research with a view to updating the data to the latest figures for each stakeholder identified, to the year 2012/2013.

The stakeholders identified in the research were:-

The Project Participants

Citizens Advice (Derby)

Ministry of Justice

State

Sudbury Prison

Project Participants

12 prisoners were interviewed for this research. There were four factors identified by the participants as being important outcomes of the project, employment, education, volunteering and staying out of prison.

Unemployed ex-offender would receive welfare benefits payments amounting to £8,430.24 per year (average).

JSA of £ 3,728.40 + Housing Benefit £4,160 + Council Tax £541.84 = £8,430.24
(Calculations are based on the assumption that person lives in Band A rated accommodation regarding Council Tax)

According to minimum wage standards and the skill set gained in the project most participants are likely to gain employment with £ 17,000 salary per year (average). Based on this wage the income tax contribution due is £ 1512.00 per year for each participant, according to statutory rates.

National insurance contribution due is £ 1,110.24 per year for each participant, according to statutory rates.

By taking part in the project the participants are more likely to gain employment which allows them to become more affluent by £5,947.52 per year.

Salary £17,000 – Income tax contributions £ 1512.00 – NI contributions £1,110.24
Welfare benefits if claimed (JSA, Housing benefit and Council tax benefit)
£8,430.24 = £ 5,947.52.

As mentioned before, 10 out of 12 participants stated employment as their major goal after completing their sentence. Forecasting that these participants gain employment the benefit generated to this particular group would be £ 55,726 per year.

10 participants x advantage of £5,947.52 = £ 59,947.52

Cost per participant £468.75 x 10 = £4687.50

SROI is £59,947.52/£4687.50

The social return for the participants is £ 1.28 for each pound spent.

CA&LC

The Sudbury volunteer project in Derby CAB consists of 4 week (average) training and work experience for each participant. Two cycles take place throughout calendar year, each cycle containing 16 participants (average). Thus, the project allows 32 participants take part each year.

The cost of this to the Derby CAB is £ 15,000 per year, including expenses of the space required (rent, heating, etc) and managers' time spent on training and supervision.

£15,000/32 = £468.75

Therefore, each participant of the project costs CA&LC £ 468.75

Training costs of the 12 participants taking part in this research is

£468.75 x 12 = £5625

Ministry of Justice

Upkeep of a prisoner in an open prison costs £ 25,106 per year (based on overall expenditure).

According to the Ministry of Justice in 2012 the current re-offending rate is 47% of adult offenders are re-convicted within one year, rising to 57% of those serving sentences of less than 12 months and rising again to 70% for under 18 year olds.

Correspondingly, out of the 12 participants interviewed 5 of them are likely to re-offend.

However, these statistics mostly reflect situations where ex-offenders are not in employment or other type of active occupation (e.g. education), thus an assumption can be made that reoffending among employed ex-offenders is much lower than 47%.

Assuming that the skills gained in the project permit the participants to gain sustainable employment and not reoffend the Ministry of Justice would save money regarding the upkeep of one re-offended prisoner in an open prison. Thus, employment gained due to the skills based on this project would save the Ministry of Justice £125,530 per year.

5 possible re-offenders x Upkeep of one prisoner in an open prison £25,106 = £125,530

The social return for the Ministry of Justice is £53.55 for each pound spent.

Saved £125,530 / Costs of training 5 participants £468.75 = £2343.75

Sudbury Prison

Sudbury Prison benefits from the project as it allows the participants alternative form of training, reducing the costs of training in the prison, as well as reducing the cost of keeping a prisoner (as the prisoners spend time in the CAB instead of prison itself).

As data of the training costs in prison is not available the only calculated benefit for the prison is the reduced costs of keeping a prisoner, regarding the time participant spends in the CAB.

Upkeep of one prisoner in an open prison costs £25,106 per year, thus £68.78 per day, and £2.80 per hour.

£25,106 / 365 days per year = £ 68.78 per day

£68.78/ 24 hours per day = £2.80 per hour

As the participants spend 37 hours per week (5 days) in the 4 week cycle, this saves the prison £414.40 per participant.

Cost of keeping prisoner in prison £2.80 x 37 hours per week = £103.60

£103.60 x 4 weeks = £414.40

Due to the Sudbury Volunteer project the prison is able to save £4,972.80.

12 participants x £414.40 = £4,972.80

The social return for the Sudbury Prison is £1.02 per each pound spent.

Costs saved £4,972.80/ Costs of training twelve participants £ 4,875 = £1.02

State

The benefits to the State are measured by:-

The amount of benefits saved if prisoners gain employment

The income tax and national insurance paid

Benefits saved

JSA of £ 3,728.40 + Housing Benefit £4,160 + Council Tax £541.84 = £8,430.24

Tax and NI

Employment with £ 17,000 salary per year

Based on this wage the income tax contribution due is £ 1512.00 per year for each participant, according to statutory rates.

National insurance contribution due is £ 1,110.24 per year for each participant, according to statutory rates.

Total = £2,622.24

Benefit per year per prisoner £8,430.24 + Tax and NI contributions £2,622.24

£11,052.48 x 10 participants = £110,520

Benefits produced by 10 participants £110,520/cost of training 10 participants £4,687.50 = £

The Social Return on Investment to the state is £23.57

Education and Voluntary Work

One participant expressed an interest in taking further education, in this case a PhD.

This degree takes three years at a cost of £3,900 in tuition fees per year; cost for course is £11,700

Voluntary work was also seen as important by the participants in the study and was identified by one participant as the main outcome of being in the project, but due to the diverse variety of opportunities, this is difficult to quantify in financial terms and was not counted in the final calculations.

Social Return on Investment – Sudbury Volunteer Project

The S.R.O.I is calculated by adding the benefits generated to all stakeholders involved and then dividing the costs of training each of the participants. This is shown in terms of financial gains, but cannot include a value for the skills or personal development gained by participation in the project.

The training of the eleven participants interviewed to the Derby CAB is £5,156.25.

11 participants x £ 468.75 = £5,156.25

Benefit generated to the participants - by employment of 10 participants £59,947.52

Benefit generated to the state – by employment of 10 participants is £110,520

Benefit generated by further education – course fees for 1 participant is £11,700

Benefit generated to the Ministry of Justice – by preventing reoffending of 5 participants is £125,530

Benefit generated to the Sudbury Prison – by providing the training in the CA&LC instead of prison itself is £4972, 80

£ 59,947.52 + £ 110,520 + £ 11,700 + £125,530 + £4972.80 = £312,670.32

£312,670.32/£5,156.25 = £60.64

The social return on investment for Sudbury volunteer project is £60.64 for every pound spent.