



Economic evaluation of WWTW's Employment Programme

In association with Daniel Lindsay and Michael
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Foreword

In my role as a Walking With The Wounded ('WWTW') Trustee I have had the privilege of helping to steer this dynamic young veterans' charity as it has grown and matured. WWTW has worked hard to collaborate with others in the sector to ensure that their employment, mental health and criminal justice programmes specifically target hard to reach veterans and allow for every individual to be supported in a bespoke way. I served in the Royal Navy for more than 23 years where I deployed to a number of hostile environments including Afghanistan and Iraq. I have a personal interest in supporting the most vulnerable ex-servicemen and women, those who have found the transition from the Armed Forces into the civilian world more challenging.

I am pleased to be asked to write the foreword to this report on behalf of WWTW which has been produced by Pro Bono Economics. The study looks into the Employment Programme for unemployed veterans, analysing the available outcomes data to show that WWTW achieve a lower cost per successful outcome than the Government's equivalent Work Programme – with each additional £1 spent on the programme delivering £3 in social benefits. The results of this analysis highlight that WWTW deliver quality, and importantly, cost effective services for the men and women they support.

The WWTW employment programme began in 2014 with a team of Employment Advisors embedded in supported accommodation residences for veterans, and later expanded to include Advisors embedded within veteran mental health teams. As an academic psychiatrist based at King's College London, and a consultant occupational and forensic psychiatrist, I am particularly interested in the role that WWTW have working with NHS mental health teams.

And it is within the NHS, delivering Individual Placement and Support ('IPS'), that WWTW see the potential for growth. There is overwhelming international evidence that IPS is much more effective than traditional approaches (such as vocational training) in successfully getting people with severe mental health problems into work. Having meaningful employment is important for all working age adults and being employed can help avoid the harmful effects of long term sickness absence and improve quality of life and wellbeing for the individual and their families, as well as lead to better health and social outcomes.

This month WWTW's IPS veterans service in Essex was reviewed by the Centre for Mental Health and successfully secured IPS Centre of Excellence status. This is a first for veteran IPS services and is an accolade of which WWTW should be incredibly proud.

The findings of this report are most reassuring. I am excited at the positive outlook for Walking With The Wounded as it marches ahead.



Professor Neil Greenberg

BM, BSc, MMedSc, FHEA, MFMLM, DOccMed, MInstLM, MEWI, MFFLM, MD, FRCPsych

Executive Summary

"Walking With The Wounded has helped and supported me in getting back into work. It is great to see a charity that is out there to help us."

Duncan

"WWTW are doing a terrific job in helping veterans back in to employment. Having a job I enjoy and look forward to going to certainly helped me get my life back in order."

Karl

"Got my perfect job working on a local care farm, it took a few years from A to B but I got there. Thank you."

Mick

Walking with the Wounded (WWTW) helps ex-servicemen and women to re-integrate back into society and sustain their independence. Each year, around 15,000 individuals leave the armed forces. Whilst the majority of veterans successfully move into civilian employment, for others it is not so easy. WWTW supports veterans who are homeless, in police custody, unemployed or suffering with mental health difficulties. This report focuses on WWTW's Employment Programme (referred to as the Employment Programme hereafter) for unemployed veterans, which is one of four key programmes offered by the charity.

Study Scope and Aims

WWTW asked PBE to assess the impact of its Employment Programme on unemployed homeless veterans and wider society. Our study compares the economic benefits resulting from the Employment Programme to the costs of delivery to assess overall value for money. A key aim of our work is to provide an improved understanding of the scale of benefits associated with tailored employment support for people with complex needs.

The assessment period covers the period March 2014 to September 2017, in which time the programme assisted 965 veterans. We estimate the impact of the Employment Programme using data on the number of veterans that achieved sustained employment of at least 3 months. The associated economic benefits are based on estimates of the additional earnings from employment, and the fiscal savings that result from improved health outcome, using data from the New Economy Unit Cost Database. We allow for the possibility that some of the veterans helped by WWTW are likely to have secured employment in any event, for example by seeking support from the Work Programme, which was the UK's standard programme of employment support over the assessment period.¹

Key Findings

Our analysis of the programme between March 2014 and September 2017 shows that:

- The Employment Programme is more likely to achieve sustained employment outcomes for people with complex needs compared to the Work Programme – overall **beneficiaries were three times more likely to access sustained employment than 'harder to help' participants on the Work Programme.**
- While the cost per beneficiary for Employment is higher than the alternative, standard provision provided by government, the **Employment Programme achieves a lower cost per successful outcome.**
- Every **£1 of additional expenditure on the Employment Programme is expected to deliver £3 in social benefits** relating to sustained employment outcomes for beneficiaries.
- Over the assessment period, the **Employment Programme delivered £1.8 million of economic benefits at a net additional cost of £596,000.**

¹ The Work Programme has now been replaced by The Work and Health Programme which provides more limited coverage. This may impact on any future findings concerning the effectiveness of the Employment programme.

- The potential **social impact for an unemployed veteran securing a sustained employment outcome is estimated to be £14,750 a year.**²

Interpretation of these findings

Our findings on employment outcomes are based on annual monitoring data provided by WWTW, and data from the National Audit Office Evaluation of the Work Programme (2014). We have not undertaken additional primary research with beneficiaries as part of this assessment. We assume that the needs of homeless veterans are comparable to the Work Programme's Harder to Help Group, as defined by the Audit Office Evaluation. In practice it is likely that some homeless and unemployed veterans will have more complex needs, and this approach may underestimate the true impact of the programme.

We note that it is possible that the Employment Programme may have a larger impact in future if veterans receive less support from the newly introduced Work and Health Programme than was the case under the Work Programme. However, it will not be possible to assess this impact until monitoring data for the Work and Health Programme becomes available, including a better understanding of the extent to which veterans may receive employment support through this new programme.

Our analysis focuses on outcomes and impacts that are associated with an unemployed person entering sustained employment. Whilst other types of social impact may also be relevant, WWTW would need to collect more detailed data on the characteristics of beneficiaries when they enter the programme and their outcomes on leaving the programme to demonstrate these (such as benefits received, employment status, and housing status).

Conclusions

Overall, the available evidence indicates that the Employment Programme delivers good value for money and improved employment outcomes. We estimate that **the programme delivers £3 in additional social impacts for every additional £1 spent on the service.**

² All figures are stated in 2017/18 prices.

965 Veterans Supported...

790 Army



4 CIVI



4 Marines



45 Navy



38 RAF



84 Unspecified



1 in 3 attaining employment



On average, 4.5 months to find employment



£3 for every £1 invested

£1.8mn in economic benefits



Case Study



Wayne, 39, joined the Army at the age of 24. In 2012, having served nine years Wayne was medically discharged after being diagnosed with PTSD. This was as a result of his experiences in combat whilst serving on operational duty in Iraq and Afghanistan.

Following his discharge from the Army, Wayne struggled with his mental health and his transition back into civilian life. As a result, he was unable to secure employment and said after his operational tour to Afghanistan, “my life went downhill”.

Wayne found himself drinking heavily as a way of self-medicating to help him sleep. He had some anger issues and started to become forgetful. These issues affected his relationship with his wife and children and in Autumn 2014 Wayne separated from his wife and spent several months ‘sofa-surfing’ at friend’s houses.

Wayne later attempted to take his own life and was admitted to hospital. On discharge from hospital he was offered accommodation at Mike Jackson House in Aldershot – a supported housing residence for single veterans who are homeless or at risk of homelessness.

During his time at the residence Wayne engaged with WWTW’s Employment Adviser, Alex, who helped him explore different career options. Alex provided support and guidance to Wayne identifying several short courses which helped him with his IT and literacy skills and confidence building.

With support from his Employment Adviser, Wayne received funding from Walking With The Wounded’s First Steps programme to gain his Driver CPC (Certificate of Professional Competence) and ADR licence (a specialist test for carrying hazardous goods by road).

Upon completion of these courses Wayne secured work quickly and moved out of Mike Jackson House into his own accommodation.

In April 2016 he started his own cleaning business which supports commercial businesses. The business is going from strength to strength.

Wayne said “Passing my ADR course is my biggest achievement since leaving the Army. I needed to get well first, and the ADR course gave me the motivation to get my life back on track”.

Wayne’s long-term aims are to work hard and build up his business and he hopes to be in a position to employ other veterans.

1 Introduction

WWTW supports ex-servicemen and women who have struggled with the transition from the military to re-integrate back into society and sustain their independence.³ Each year, around 15,000 individuals leave the armed forces. Whilst the majority of veterans successfully move into civilian employment, for others this is not so easy. WWTW provides employability, mental health and early intervention services for struggling veterans. This includes support for those who are homeless, in police custody, unemployed or suffering with mental health difficulties.

1.1 Objectives and scope of the analysis

This report considers the extent to which the WWTW Employment Programme delivers value for money and aims to provide an improved understanding of the scale of benefits associated with tailored employment support for people with complex needs. The assessment period covers the period March 2014 to September 2017, in which time the programme assisted 965 veterans.

The analysis of the benefits of the Employment Programme focuses on the economic and fiscal impacts of an individual with complex needs moving into employment. Outcomes are compared to the Government's Work Programme, which was the main alternative form of employment support in the evaluation period, to assess the net additional benefits attributable to the Employment Programme.

As the monitoring data used to inform this analysis is primarily a programme delivery tool used internally by WWTW to assess performance against agreed outputs and to track the performance of centres, it does not cover the full range of potential benefits that may arise. Consequently, the report also identifies some of the wider economic benefits that it may be possible to demonstrate with more detailed monitoring of beneficiaries' characteristics on entering and leaving the programme.

1.2 Structure of the report

The remainder of the report comprises four sections:

- **Background:** a more detailed overview of WWTW and the WWTW Employment Programme.
- **Analytical Approach:** An overview of the logic model that underpins the WWTW Employment Programme and a summary of the approach adopted to assessing its impacts.
- **Key Results:** The headline findings from the assessment, including the sensitivity tests.
- **Summary and Recommendations**

³ People are classified as veterans if they have spent one day or more in the British Army, Royal Navy, Air Force, Reserves or Regulars.

2 Background

Walking With the Wounded was established in 2010 to support ex-servicemen to reintegrate back into society and sustain their independence. The charity is funded by individuals and organisations who participate in events or organise their own fundraising events, statutory funding and funding from Trusts and Foundations.⁴

WWTW provide four key programmes which work together to help veterans address barriers to employment and independence:

- **Head Start** to support those with mental health difficulties
- **Project Nova** which works with veterans in police custody
- **First Steps** for those without the necessary training or qualifications for their chosen civilian career
- **The Employment Programme** for unemployed veterans.

The Employment Programme, which is the focus of this report, has been operating since March 2014, and assists some 275 individuals per year on average.⁵ The main purpose of the Employment Programme is to help secure positive employment outcomes for unemployed veterans. The programme relies on a network of WWTW Employment Advisors who work in two settings: veteran-supported accommodation residences, and as part of NHS veteran mental health teams. The Advisors help veterans to build confidence, engage employers, source funding for any required training, and gain sustainable employment.

Working within veteran supported accommodation

WWTW has eight Advisors working within veteran supported accommodation residences to assist unemployed veterans who are homeless and in temporary accommodation. The Advisors are embedded within the wider support team to specifically address residents' employment needs. These Advisors work in the following locations:

- Stoll in London
- Alabaré in Bristol and Gloucester
- Scottish Veterans' Residences in Edinburgh, Dundee and Glasgow
- Mike Jackson House in Aldershot
- The Beacon in Catterick
- The WWTW Hub in Manchester.

Working within the NHS mental health services

WWTW also has six Advisors embedded within the NHS Veterans Mental Health Transition, Intervention and Liaison Services (TILS) teams.⁶ In this setting, WWTW Advisors offer the Individual Placement and Support (IPS) model of supported employment. IPS involves intensive, individual support, followed by placement in paid employment and time-unlimited in-work support for both the employee and the employer. These Advisors work in the following locations:

- Essex Partnership University NHS Foundation Trust

⁴ During the period of analysis of this report, the Employment Programme was entirely funded by voluntary and Trusts and Foundation income, and no Statutory funding was received for the Employment Programme.

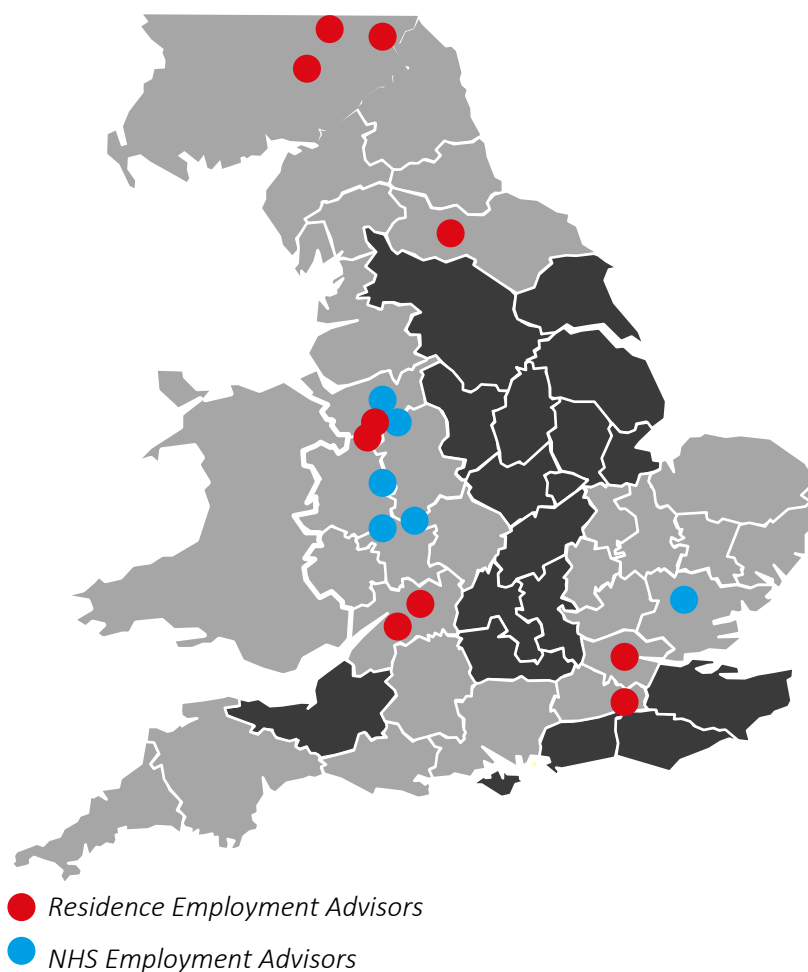
⁵ This figure relates to the period March 2014 to September 2017 during which 965 veterans were supported.

⁶ During the period covered by this report four NHS Advisors were in post.

- Pennine Care NHS Foundation Trust
- Birmingham and Solihull Mental Health NHS Foundation Trust
- South Staffordshire and Shropshire Healthcare NHS Foundation Trust.

Figure 1 shows the locations of WWTW Employment Advisors in June 2018, distinguishing between supported accommodation and NHS settings.⁷ Figure 2 shows schematically the employment support process for the programme.

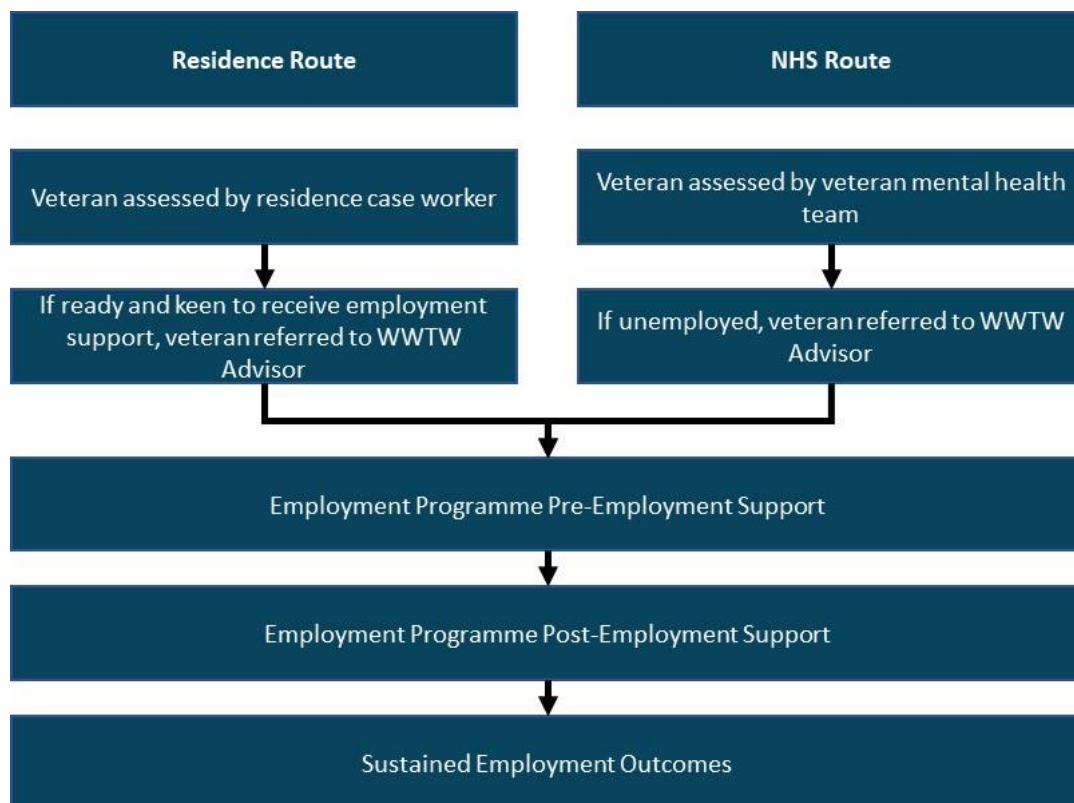
Figure 1: Locations of WWTW Employment Advisors (June 2018)



Source: WWTW

⁷ Please note that some advisors cover multiple locations.

Figure 2: WWTW Employment Support Process

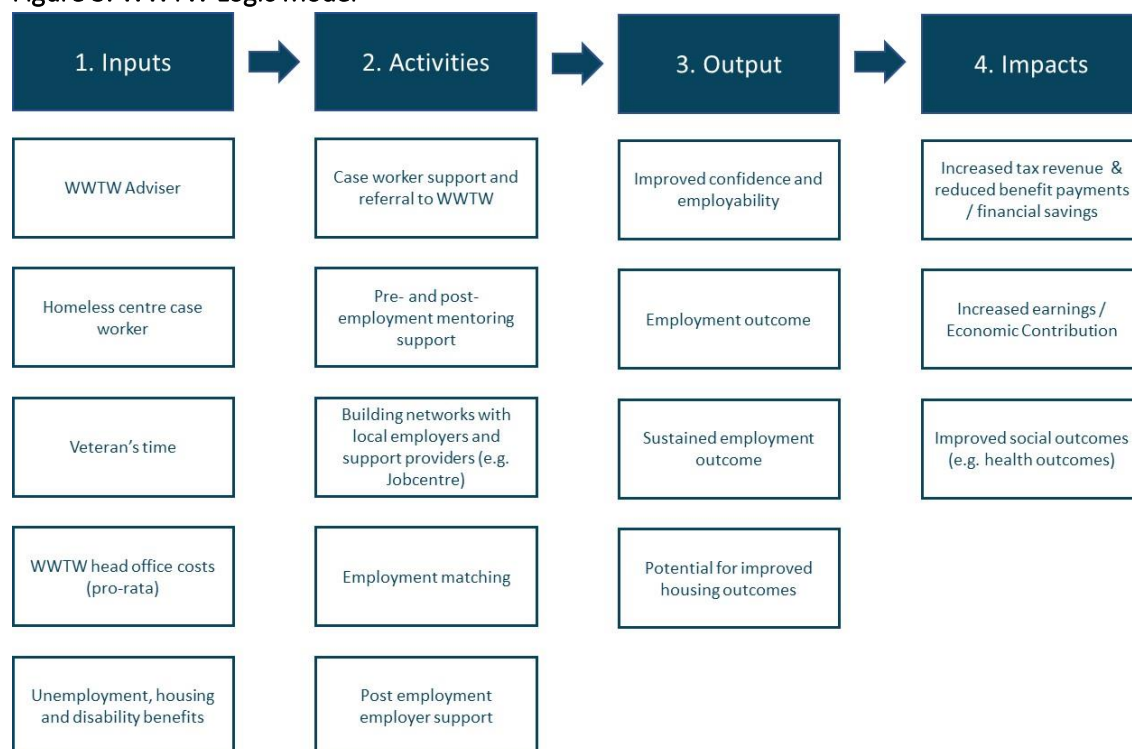


3 Analytical approach

3.1 Understanding the WWTW Intervention

Figure 3 presents a logic model for WWTW, which sets out how the inputs are associated with the homeless centre (for homeless beneficiaries) or the NHS team referrals are translated into financial savings for government, improvements to national economic output and a range of improved social outcomes for the beneficiary.

Figure 3: WWTW Logic Model



Inputs

The specific **inputs** of the WWTW Employment Programme include:

- resources from the homeless centre and the allocated case worker (for beneficiaries who are homeless and residing in supportive accommodation);
- resources from the NHS mental health team (for beneficiaries who are referred from the NHS);
- the veterans' time for participating in the programme; and
- the work of the WWTW Employment Adviser.

Additional inputs include a proportion of WWTW head office costs associated with administering the programme and additional costs provided by complementary services, such as the cost of any support provided by other military charities or the cost associated with Jobcentre employment advisors in cases where it was appropriate for WWTW to work alongside these wider services to support a beneficiary back into work.

For the purposes of this study, the assessment focuses on the net additional financial inputs, which include the direct costs of the WWTW Adviser and the costs of administering the Employment Programme. Note that we assume that beneficiaries who do not access WWTW support would still receive support from the homeless shelter case worker. Also, we assume that individuals who access alternative provision (such as the Work Programme) would be just as likely to receive support from the wider services (such as alternative military charities or Jobcentre mentioned above) if this is an appropriate route into employment for them.

Activities

The **activities** that the beneficiary will receive or participate in include the support provided by the homeless centre and their case workers. It is assumed that homeless veterans located in homeless centres will receive this wider support whether or not they participate in the Employment Programme.

The range of additional activities specifically provided by the WWTW Adviser include pre- and post-employment support, assistance in developing networks to access employment (e.g. making contact with local employers or intermediaries such as Jobcentre), employment matching support where the Adviser is aware of suitable employment opportunities for the beneficiary, plus support for employers to maximise the chances of a sustained employment outcome.

Outputs

The intervention is expected to result in improved confidence and employability of the beneficiary – which may be due to the pre-employment process or through the beneficiary securing relevant work experience and qualifications – and ultimately sustained employment. In addition, by accessing sustained employment, homeless beneficiaries will be well on their way to improving their housing position and may go on to access more stable and secure accommodation.

These outputs are expected to deliver a range of economic **impacts**, including:

- The financial savings associated with a reduction in benefits claimed and the Income Tax and National Insurance paid on new earnings. As a minimum, benefit savings will include Jobseeker's Allowance (JSA) but may also include disability related benefits (such as Employment and Support Allowance, or ESA) and potentially Housing Benefit. However, for the purposes of an economic assessment, these are considered as transfer payments rather than a net economic improvement.
- The direct economic benefits of a sustained employment outcome – measured as an improvement in earnings received by the beneficiary.
- Wider economic benefits, for example there is evidence that moving someone from long term unemployment into work leads to a reduced need for NHS services⁸. This represents both an economic and social benefit of sustained employment outcomes.

This assessment considers the social impacts of the intervention, defined as the direct and wider economic benefits. In this case, it includes the earnings associated with the sustained employment outcomes and the wider economic benefits associated with savings to the NHS.

⁸ New Economy, Unit Costs Database

3.2 Counterfactual scenario

During the assessment period, the Work Programme was the main employment support programme delivered by government. It was launched in June 2011 and aimed to support people who are at risk of becoming long-term unemployed to find work. The programme targeted unemployed workers who have claimed JSA or ESA at set referral points. In the case of JSA this is once a claimant has been in receipt of JSA for 12 months (or nine months for people aged under 25) and for ESA claimants this is once they are considered as being close to being fit for work.

At launch, there were 18 providers operating in 18 areas of Great Britain. Similar to the Employment Programme, the government Work Programme uses local providers with experience, knowledge and networks in the local area to maximise sustained job outcomes.

The approach is highly flexible, with providers being able to decide on the best approach to placing participants into employment. Again, this is similar to the Employment Programme where Advisors are encouraged to use their own individual methods such as confidence building, organisation of work placements, and sourcing funding for training, to achieve positive results for their beneficiaries.

The Work Programme provided support to unemployed and homeless veterans, however data concerning the Work Programme costs and outcomes are not disaggregated to this level. The National Audit Office evaluation of the Work Programme⁹ does however disaggregate its findings for 'harder to help' participants, which will include those claiming ESA or participants with specific complex needs. The evaluation finds that, **after participating in the Work Programme, 11% of harder to help participants secured a job outcome** – defined as sustaining employment for three months.

Comparison to Employment Client Group

Given the available information, we believe that the harder-to-help group in the Work Programme provides a reasonable comparator group for the Employment Programme (we refer to this as the 'reference case'). While the available monitoring data for the Employment Programme does not provide a complete picture of the beneficiary group, it does show that at least 62% of Employment beneficiaries possess a mental, physical or social injury classification and a further 7% are awaiting assessment¹⁰. None of the beneficiaries are employed at the point of engaging with the programme¹¹. This suggests that the needs of WWTW Employment Programme beneficiaries are likely to be greater than for a typical employment programme predominantly made up of participants claiming JSA.

Future Alternative Provision

The Work Programme has been replaced by the Work and Health Programme. This new programme was launched in North West England and Wales in 2017 and is being rolled out to the rest of the UK in 2018. The programme will be targeted at people who, with specialist support, are likely to be able to find work within 12 months. The Government expects the majority of those referred to the scheme to be disabled. As the scheme is in the process of being rolled out, there is little publicly available evidence on its current or expected effectiveness, or the number of people who are expected to receive support. However, the programme is designed to be smaller

⁹ National Audit Office (2014), Department for Work & Pensions - The Work Programme

¹⁰ We note that WWTW believes that it is likely that all beneficiaries of the Employment Programme have a mental, social, or physical vulnerability, however it is not possible to confirm this from the available monitoring data.

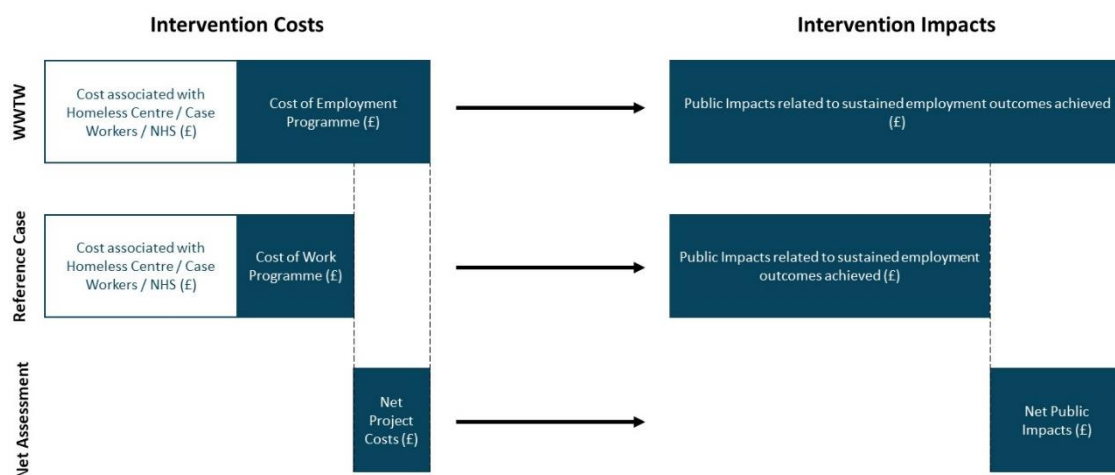
¹¹ WWTW have now started to accept beneficiaries who are underemployed or at risk of losing their employment at the point of referral (October 2017).

and more focused than the Work Programme, suggesting that the total number of people served by the new scheme will be lower than the previous scheme.

3.3 Assessment Framework

Figure 4 sets out an overview of the assessment framework used to estimate the additional social value associated with the Employment Programme. We describe the key features of the approach below.

Figure 4: Assessment Framework¹²



WWTW Employment Programme (the WWTW intervention)

The financial costs associated with the WWTW intervention are made up of the direct costs of employing the Advisors and the indirect costs associated with administering the programme.

The intervention impacts of the programme relate to the impacts associated with an unemployed homeless veteran entering employment. The total project-level benefits are calculated by multiplying the average impact per successful outcome by the number of successful outcomes.

Reference Case

To understand the net impact of the Employment Programme it is necessary to estimate what proportion of beneficiaries would have entered employment without support from a WWTW Employment Adviser (this is referred to as the 'deadweight'). There is no specific data available on the rate at which homeless veterans who are not helped by the Employment Programme are able to access employment. For the purpose of this assessment we assume that beneficiaries could have accessed the Work Programme, which was the Government's flagship employment scheme during the period of assessment. As noted above, the National Audit Office Evaluation of the Work Programme identifies that 11% of harder to help Work Programme participants have accessed sustained employment outcomes which we consider to be the most appropriate comparator for the Employment Programme.

Net economic impact

¹² Note – the purpose of this diagram is to illustrate the various intervention costs and impacts and it is not drawn to scale.

The net impact is simply the difference between the estimated impacts associated with the Employment Programme and the estimated impacts associated with the Reference Case. If the savings associated with the WWTW intervention exceed the reference case, then there will be a net benefit associated with the intervention.

The net costs are a little bit more complicated to work out. The level of support provided by the homeless centre and support worker is assumed to be the same in each case, therefore there are no net costs associated with this service (they will still be incurred even if the beneficiary does not receive support from the Employment Programme). However, in the reference case there are also costs associated with administering the Work Programme that must be taken into account.

If we compare the net benefits of the Employment Programme (i.e. the net sustained employment outcomes) to the gross costs of delivering the Employment Programme, we will be underestimating the potential return on investment as there is cost associated with the delivery of the reference case. Therefore, the net costs are effectively the difference between the cost of delivering the Employment Programme and the equivalent cost of the same number of beneficiaries receiving support from the Work Programme.

Other considerations

We note that since veterans self-refer to the Employment Programme there may be some selection bias which could mean that the actual deadweight is higher and that the estimated impacts are potentially overstated. However, given the complex needs of beneficiaries and the limited extent of self-referral to the Employment Programme, this effect is not expected to be significant. The impact of a higher deadweight is considered in Section 4.5.

It is also important to consider whether the positive impact of the Employment Programme on veterans might result in a reduction in employment for others. This could be the case, for example, if an employer hires a veteran instead of another individual, or if the increased number of veterans seeking employment reduces wages. This does not seem likely to be a material consideration in this case, however, given the relatively small scale of the Employment Programme, and also that companies recruiting veterans via the Employment Programme receive no financial subsidy.

3.4 Beneficiaries in Scope

As previously specified, the assessment is based on monitoring data covering the period April 2014 to September 2017, during which time the Employment Programme supported 965 veterans. We focus on veterans that achieve a sustained employment outcome, which is defined to include all beneficiaries that have sustained employment for a minimum of three months (in line with the Work Programme harder-to-help group).

The focus on sustained employment means that the outcome for any veterans that entered employment between July and September 2017 was not available at the time of this assessment. In addition, a beneficiary typically receives between three and five months support before entering employment. Consequently, it is highly unlikely that a veteran referred to the Employment Programme after March 2017 will have had sufficient opportunity to start a job which they then sustain for more than three months before September 2017.

Our assessment is therefore based on the 867 veterans who were referred to Employment between April 2014 and March 2017, as it is not possible to adequately assess the outcomes of veterans who were referred after this point. We have included the full project costs for the period

April 2014 to March 2017. For April to June 2017, however, we have only included costs that can be apportioned to beneficiaries who were referred to the Employment Programme up to and including March 2017 and are continuing to receive support. We do not consider the costs from July 2017 onwards as it is not possible to identify any associated outcomes for this period. An overview of how project costs have been apportioned is set out in Annex A.

4 Key results of analysis

4.1 Costs

The main financial inputs to Employment are the costs of the programme, which can be disaggregated into:

- The **direct cost** of delivering the programme – for example the costs of employing the Employment Advisors and any direct expenses incurred in their day to day activity. These costs are expected to change in relation to the number of beneficiaries.
- The **indirect costs** of delivering the programme – for example the head office costs associated with administering the programme. These costs are expected to remain relatively constant unless the scale of the Employment programme were to change significantly.

The total cost of delivering the Employment Programme was **£1.37 million** between April 2014 and June 2017, at an average of £105,000 per quarter. Over the whole period, 75% of the programme costs were the direct costs of delivering Employment.¹³

Net Programme Costs

As explained in the previous section, we assume that individuals would have obtained support from the Work Programme in the counterfactual scenario. The net additional cost of the Employment Programme is therefore given by the difference between the cost of the Work Programme incurred by the public sector from the costs of the Employment Programme.

Research undertaken by the IPPR indicates that the cost per participant in 2014 for the Work Programme was £891 in today's prices.¹⁴ The equivalent cost for the WWTW Employment Programme was £1,578, which indicates that **the net additional cost of delivering the Employment Programme is £687 per participant or £596,000 at a programme level.**¹⁵

Table 1: Employment Intervention Cost Assumptions (April 2014 – June 2017)

	Cost per Participant	Total Costs
Employment Programme (Direct & Indirect Costs)	£1,578	£1,368,000
The Work Programme	£891	£772,000
Net Additional Cost of WWTW	£687	£596,000

Source: WWTW (2017) & IPPR North (2014)

4.2 Employment Outputs

WWTW Advisors assisted 867 veterans between April 2014 and March 2017, of which 349 (or 40%) have subsequently accessed employment, including 291 (or 34% of all beneficiaries) who sustained employment for at least three months. This compares favourably to the Work

¹³ All costs in this section have been adjusted in line with the 'beneficiaries in scope' discussed in Section 5 and are undiscounted present day. Further information is provided Annex A.

¹⁴ The IPPR North Report finds that the costs were £841 in 2013/14. These costs have been updated to 2017/18 for this assessment.

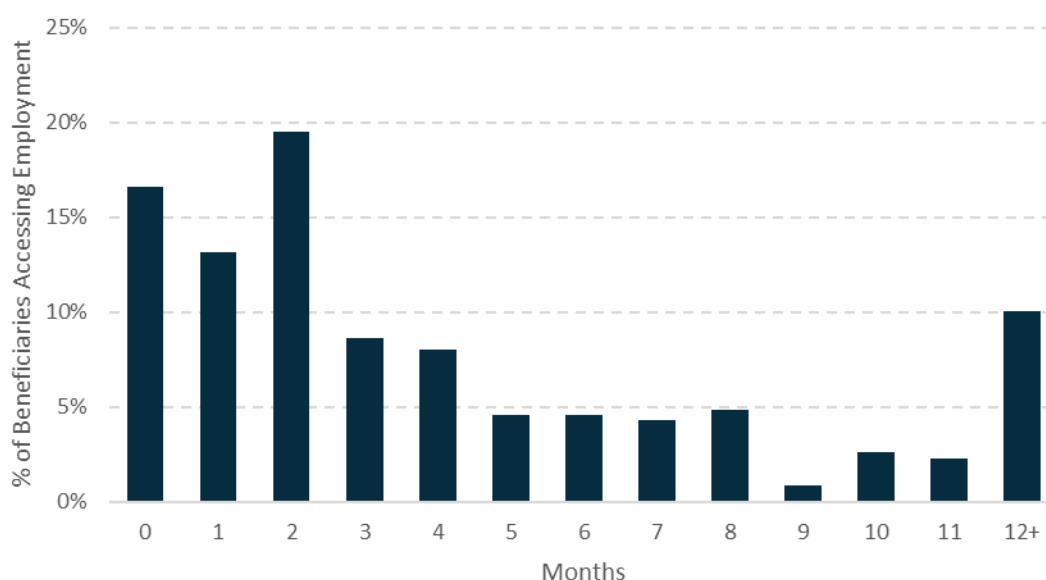
¹⁵ The IPPR cost refers to the whole Work Programme (not just the hard-to-help cases). This is above the cost per participant in harder to help groups (such as those with disabilities) due to the relatively higher demand.

Programme for 'harder-to-help' cases, where only 11% of beneficiaries entered sustained employment.¹⁶

The typical duration between a veteran accessing support from an Adviser and entering employment was four months. However, as Figure 5 shows, there is a highly variable distribution with 58% of beneficiaries accessing employment within three months, and 10% of beneficiaries taking a year or more.

As explained above, the data used in this assessment captures beneficiaries who were referred to an Employment Adviser for support before 31st March 2017 and records sustained employment outcomes achieved up to 30th June 2017.¹⁷ As this only provides a three-month period for beneficiaries to access employment some of these individuals may have obtained employment subsequently that is not included in our analysis (e.g. people who entered the Employment Programme towards the end of the assessment period). Consequently, as longer-term monitoring data becomes available it is possible that the programme's observed success rate will be higher than our estimate.

Figure 5: Duration between Accessing Adviser Support and Entering Employment



Source: WWW Monitoring Data (Sept 2017)

Net additional employment

It is important to recognise that some of the individuals assisted by the Employment Programme may have found work without the support from WWTW – either without additional support or by accessing standard government employment schemes, such as the Work Programme.

As discussed above, an evaluation of the Work Programme has found that 11% of Harder to Help claimants accessed sustained employment after participating in the scheme. We consider that this is a reasonable counterfactual scenario for this assessment as many of the veterans who are homeless or at risk of homelessness and receive Employment Adviser support will have a range of complex needs beyond that of a typical JSA claimant.

¹⁶ The Work Programme (NAO, 2014). The assessment for Harder to Help cases was based on ESA Claimants. A successful employment outcome was captured if it lasted for more than three months.

¹⁷ Available data for 2017 Q3 has been excluded from this analysis as it is not possible to confirm whether employment outcomes achieved in this period have been sustained for a minimum of three months.

Taking this into account, it is estimated that over the course of the assessment period, **WWTW have achieved sustained employment outcomes for an additional 196 veterans** between January 2014 and June 2017.

Table 2: Gross and Net Employment Outputs (January 2014 to June 2017)

		Total	%
Total Beneficiaries		867	
Gross Output	Of which, accessed employment for a minimum of 3 months	291	34%
Counterfactual	Of which, expected to access employment without support from WWTW	95	11%
Net Output	Net Additional Employment Outcomes	196	23%

Source: WWW Monitoring Data (Sept 2017)

4.3 Programme Impacts

Our analysis of the economic impact of the Employment Programme includes:

- The direct economic benefits of a sustained employment outcome – measured as an improvement in earnings received by the beneficiary.
- Wider economic benefits, for example there is evidence that moving someone from long term unemployment into work leads to a reduced need for NHS services.¹⁸ This represents both an economic and social benefit of sustained employment outcomes.

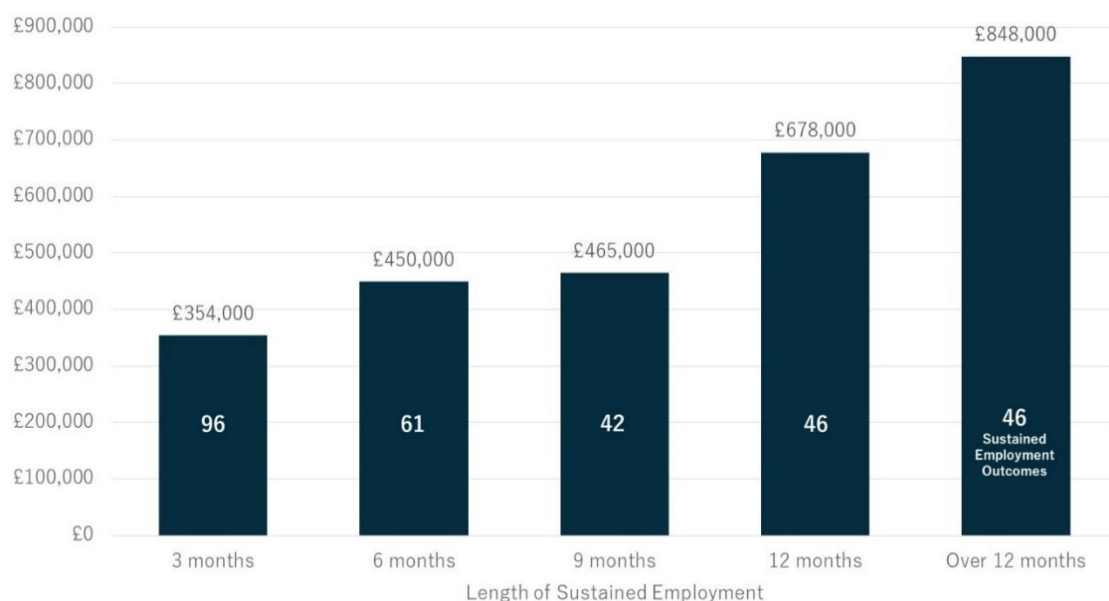
Using evidence from the New Economy Unit Cost Database it is possible to estimate the monetary value of these impacts – which indicates that **the combined social impacts of an individual previously claiming Employment Support Allowance (ESA) or Incapacity Benefit (IB) who has entered work is estimated to be £14,750 a year** (2017/18 prices). This value is lower than the value for someone claiming JSA who enters work and is considered to be a conservative estimate of the potential social impacts. The figure considers the typical wages and working hours of someone accessing employment and the cost savings to the NHS of someone being in work.

The monitoring data for the Employment Programme provides information on the minimum length of time that an employment outcome was sustained for and it has been possible to estimate the gross economic impacts of the programme on this basis. The £14,750 annual benefit of a veteran entering employment has been apportioned based on the length of time that an employment outcome has been sustained. The estimated benefits do not include impacts for veterans where employment has been sustained but contact has been lost. In addition, and where employment outcomes have been sustained for more than one year, we have assumed 15 months (or five quarters) of social impact in the absence of more detailed information. (See Annex B for further information)

On this basis the gross economic impact of the Employment Programme is estimated to be £2.8 million. The breakdown by duration of employment outcomes is set out overleaf. As expected, the greatest impact is associated with those employees who are sustained in employment for the longest period of time.

¹⁸ New Economy, Unit Costs Database

Figure 6: Gross Economic and Fiscal Impacts of Employment, by Duration of Employment (Apr 2014 to Sept 2017)

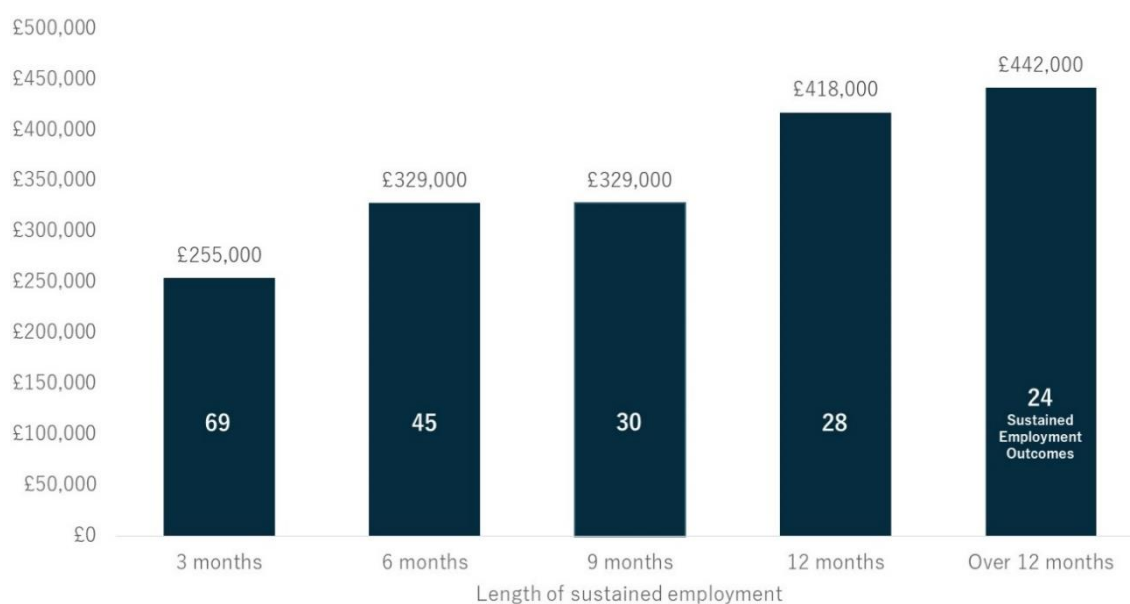


Source: Hatch Regeneris, 2018

Net Impact

The net impact of the WWTW Employment Programme is estimated to be £1.8 million, which takes into consideration the proportion of beneficiaries who can be expected to secure employment through alternative employment schemes, such as the Work Programme. This equates to an average annual net impact over the assessment period of £545,000.

Figure 7: Net Economic and Fiscal Impact of Employment, by duration of employment (Apr 2014 to Sept 2017)



Source: Hatch Regeneris, 2018

4.4 Estimated Net Social Value

The estimated net social benefit of the Employment Programme amounts to £1.8 million over the assessment period April 2014 to June 2017, or £545,000 a year. Given the net programme cost over this period was £596,000 this suggests that every £1 invested in WWTW's Employment Programme has delivered £3 in additional social value.

Table 3: Benefit Cost Ratio of the Employment Programme

	Value	Associated BCR
Net Benefits	£1.8 million	
Net Programme Costs	£596,000	3

We consider that there are several reasons that suggest that the estimated benefit-cost ratio is conservative. First, the employment impacts are based on the recorded length of time for which employment impacts have been sustained. However, for beneficiaries who have entered employment towards the end of the assessment period, it is not possible to record longer periods of sustained employment (such as of nine or twelve month) as insufficient time has passed. Once updated monitoring data becomes available, it will be possible to update this assessment to include those additional impacts. In addition, for beneficiaries who have sustained an employment outcome for longer than one year, we have only applied an impact equivalent to 15 months in the absence of more detailed monitoring data.

Second, the assessment of social value has a narrow focus on employment income and the fiscal savings associated with savings for the NHS. With more detailed monitoring data and information regarding the circumstances of veterans when they are referred to Employment, and non-employment related outcomes, it will be possible to test whether there are additional impacts associated with a range of wider benefits including:

- A reduction in homelessness
- Learning and training outcomes
- Reduction in additional benefits claimed (such as Income Support and Housing Benefit – although recognising that this is a financial transfer rather than economic impact)
- A reduction substance and alcohol abuse
- A reduction in crime.

Third, the counterfactual in our assessment is based on the Work Programme. As noted above, it is likely that the Employment Programme supports veterans who face more barriers to employment than the Work Programme's harder-to-help group (e.g. due to a higher proportion of homelessness). If correct, this would imply that using the Work Programme as the counterfactual may in fact understate the success of the Employment Programme in terms of net additional employment outcomes.

This is particularly relevant in future as the Work Programme has been replaced by the Work and Health Programme which is significantly more limited in scope. If, in the absence of WWTW Employment, beneficiaries cannot reasonably be assumed to receive support from alternative programmes, then the scale of net impacts may be significantly higher than the level we report.

4.5 Sensitivity analysis

We have carried out sensitivity tests to assess the robustness of our conclusions. These set out the switching values at which point the Employment Programme would deliver a BCR of 2:1 (the

threshold between 'acceptable' and 'high value for money) and 1:1 (the threshold for 'poor' and 'acceptable' value for money).¹⁹

Table 4 shows that the BCR falls below the level for poor value for money only if the proportion of veterans that would have obtained employment without the support of the Employment Programme is significantly lower than 11% (i.e. the deadweight is much larger). A similar finding also holds for the net cost of the programme. In addition, the monetary value of the social impact per successful outcome would have to drop to £4,900 a year – a third of the level currently assumed – before a poor value for money assessment is likely.

Table 4: Switching Values

	Assessment Value	Switching Value for Good VfM	Switching Value for Poor VfM
Proportion of veterans who would have accessed employment without WWTW support (Deadweight)	11%	17%	24%
Increase to Net Additional Costs	-	50%	300%
Value of Sustained Employment per Year (Social Value)	£14,750	£9,800	£4,900

¹⁹ [Department for Communities and Local Government](#) (now supersede by Ministry of Housing, Communities and Local Government) (2016), The DCLG Appraisal Guide; and accompanying Data Book

5 Summary and conclusions

Estimated Net Social Value

The WWTW Employment Programme is estimated to deliver **£3 of net additional social value for every £1 of net additional investment**, which represents very good value for money. The programme delivers a **success rate three times higher than the standard employment support programme** and achieves a **lower average cost per successful outcome**.

This assessment is based on a set of relatively conservative assumptions and is robust to a range of sensitivity tests. We also note that our analysis focuses on the benefits of moving into employment. It is plausible that the programme delivers a wider range of economic and social impacts, including benefits relating to improved housing outcomes, however this would require more detailed monitoring and assessment.

Value of targeted Interventions

The scale of value for money achieved and improvement over the Work Programme demonstrates the potential additional benefits that can be achieved through targeted interventions, particularly for groups with complex needs. In light of the scaling back of the employment support provided by Government, with the introduction of the Work and Health Programme, it is possible that the benefits associated with the Employment Programme may increase in the future.

Longer Term Monitoring

More detailed monitoring of beneficiaries' characteristics and outcomes would potentially allow WWTW to strengthen the evaluation of the wider social impacts of the programme. This might include:

- Carrying out follow up assessments 6-12 months after an outcome has been achieved to get a fuller understanding of the impacts and the extent to which they have been sustained. This could be based on a sample of beneficiaries.
- Collecting additional monitoring data on the individual characteristics of beneficiaries prior to entering the programme to include their housing situation, mental health and other needs, and the range of benefits that they are in receipt of.
- Improving the monitoring of outcomes to better understand the range of non-employment outcomes associated with the programme (e.g. improved confidence, educational, health and other social outcomes).
- Exploring ways to develop a fuller understanding of the scheme's counterfactual (i.e. the proportion of people that would have gained employment anyway).

ANNEXES

ANNEX A: Cost Assumptions

WWTW have provided the following cost information to inform the assessment. The available project costs have been set out below.

Employment Financial Inputs

	2015 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec
Direct Costs	£225,000	£403,000	£490,000
Indirect Costs	£72,000	£167,000	£101,000
Total Costs	£297,000	£570,000	£592,000
Average per quarter	£74,000	£143,000	£148,000

Source: WWTW, 2018. All figures rounded to the nearest £1,000.

The project costs have been inflated to 2017/18 prices using the Consumer Price Index to identify the current day cost of the programme.

Employment Financial Inputs (2017/18 Prices)

	2015 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec
Direct Costs	£233,000	£410,000	£490,000
Indirect Costs	£75,000	£170,000	£101,000
Total Costs	£307,000	£579,000	£592,000
Average per quarter	£77,000	£145,000	£148,000

Source: WWTW, 2018. All figures rounded to the nearest £1,000.

To estimate the project costs for the whole assessment period and to ensure that the assessment did not underestimate the true cost of delivering the programme, we have estimated the programme costs on the following basis:

- Costs for 2014 are assumed to be in line with the costs for 2015.
- Costs for 2017 are assumed to be spent on a uniform basis throughout the year.

Derived Programme Costs (2017/18 Prices)

	2014 Apr-Dec	2015 Jan-Dec	2016 Jan-Dec	2017 Jan-Sep	Total
Direct Costs	£175,000	£233,000	£410,000	£368,000	£1,185,000
Indirect Costs	£56,000	£75,000	£170,000	£76,000	£376,000
Total Costs	£231,000	£307,000	£579,000	£444,000	£1,561,000
Average per quarter	£77,000	£77,000	£145,000	£148,000	£112,000

However, as set out in the main report, it is not appropriate to capture 100% of the project costs for the period between March 2017 and September 2017, as veterans supported in this period are unlikely to secure sustained employment within the assessment period. The costs incurred in this period are likely to deliver benefits that can be captured in the future.

Consequently, we have:

- Excluded all project costs covering July to September 2017 as any veteran entering employment in this period cannot be recorded as entering sustained employment, even if they subsequently do so.
- For the period March to June 2017 we have apportioned the costs to those who were receiving support prior to 1st June, as veteran entering the Employment Programme from this date onwards are unlikely to have entered sustained employment within the monitoring period.

Without making this adjustment, the assessment would capture the costs associated with beneficiaries who cannot reasonably be assumed to enter sustained employment within the assessment period. As future monitoring data becomes available, it will be possible to assess the outcomes of this group and update the assessment to reflect the associated costs and outcomes. The adjusted costs are set out below.

Adjusted Programme Costs (2017/18 Prices)

	2014 Apr-Dec	2015 Jan-Dec	2016 Jan-Dec	2017 Jan-Sep	Total
Direct Costs	£175,000	£233,000	£410,000	£207,000	£1,024,000
Indirect Costs	£56,000	£75,000	£170,000	£43,000	£343,000
Total Costs	£231,000	£307,000	£579,000	£250,000	£1,368,000
Average per quarter	£77,000	£77,000	£145,000	£125,000	£105,000

ANNEX B: Benefit Assumptions

The monetary value of the outcomes associated with the WWTW intervention has been derived from the New Economy Unit Cost Database²⁰. The database includes over 600 cost estimates which are derived from government reports and academic studies. The costs cover crime, education & skills, employment & economy, fire, health, housing and social services. New Economy advises that these costs can be used to inform proposals for the implementation of new interventions, the redesign of public services or their evaluation.

The New Economy database sets out that the overall public value of an ESA or IB claimant entering employment is £13,700 in 2012/13 prices. This is estimated from (i) the economic benefit of employment to the individual and (ii) savings to the NHS related to a reduction in health care costs associated with being out of work. Both values are estimated on the basis that employment is sustained for a 12-month period.

As advised by New Economy, the fiscal benefit to DWP (i.e. the benefits savings resulting from the claimant moving into employment) are excluded from the analysis as this represents a transfer payment rather than an economic saving.

Public Value of an IB / ESA Claimant Securing Employment for a 12-month Period (2017/18 Prices)

Category of Impact	Value	Comment
Value of Employment Earnings (per annum)	£12,568	Estimated value of increased earnings as a result of entering employment. (Source: DWP)
Savings to NHS (per annum)	£1,132	Savings to the NHS related to a reduction in health care costs associated with being out of work
Total	£13,700	

Source: New Economy Database v1.4.

In order to compare the monetary value of the programme outputs to the programme costs set out in Annex A, it is necessary to convert the impact values to 2017/18 prices. To do this, we have inflated the relevant impact figures to 2017/18 prices in line with the CPI (the UK Government's official measure of inflation), which provides an impact of £14,748 for every beneficiary who has sustained employment for a one-year period.

As set out in the main report, some beneficiaries do not sustain employment for a full year, while others sustain employment for considerably longer than this. The monitoring data from WWTW disaggregates employment outcomes into the following categories and we have used these to apportion the annual impact of a sustained employment outcome.

²⁰ <http://www.neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>

Value of Sustained Employment Outcomes

Length of Employment Recorded by WWTW	Employment Duration Assumed in Benefit Calculation (Months)	Assumed Value	Impact
Not retained at 3-month stage	0	£0	
Retained at 3-month stage	3	£3,687	
Retained at 6-month stage	6	£7,374	
Retained at 9-month stage	9	£11,061	
Retained at 12-month stage	12	£14,748	
Retained at 12+ months	15	£18,435	