

SOCIAL IMPACT REPORT

July 2017



A PROSPEROUS FUTURE

REDUCED
RE-OFFENDING

LONG TERM EMPLOYMENT

WELLBEING

SKILLS

HOPE

EMPLOYMENT

OUT OF CRIME

INCOME

THE SCORECARD KEEPS TRACK OF IMPACT MEASURES AND TARGETS

MEASURE	KEY PERFORMANCE INDICATOR	BT TARGET	CURRENT VALUE	TARGET MET?
 <p>Client Turnover</p>	% 'new' clients in workforce in last quarter	10-15%	0%	NO
 <p>Client Offence Background</p>	% of current clients with significant offences	85%	100%	YES
 <p>Client Age at Joining</p>	% of clients who join at an age between 20 and 29	85%	100%	YES
 <p>Client Engagement</p>	Client's level of wellbeing (out of 10)	8	8.3	YES

See appendices 1-3 for how metrics are defined

THE SCORECARD KEEPS TRACK OF IMPACT MEASURES AND TARGETS

MEASURE	KEY PERFORMANCE INDICATOR	BT TARGET	CURRENT VALUE	TARGET MET?
 Client Employment	# clients currently in continuous employment	10	5 <i>The team has downsized to adapt to the workload.</i>	NO
	Average client tenure with BT	18M	18 M	YES
	% clients going to employment/ education after leaving BT	80%	76%	ALMOST
	% clients in employment 2 years after leaving BT	70%		

See appendices 1-3 for how metrics are defined

THE SCORECARD KEEPS TRACK OF IMPACT MEASURES AND TARGETS

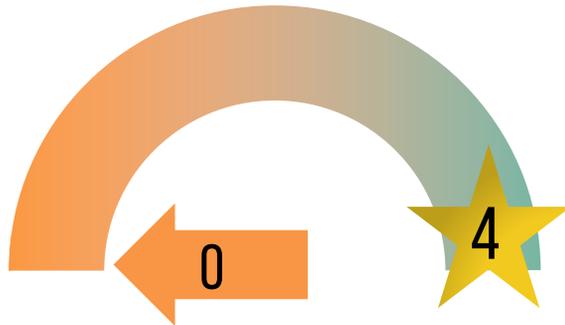
MEASURE	KEY PERFORMANCE INDICATOR	BT TARGET	CURRENT VALUE	BOARD TARGET
 <p>Client Re-offending</p>	Client re-offending rate whilst with BT	5%	4%	YES
	Client re-offending rate 2 years after leaving BT	<10% <i>(but TBC when data has been collected)</i>		
 <p>Benefits to the state</p>	£ saved through re-offending rates	£710K	£665K	NO
	£ added through employment	£93K	£91.6K <i>Employment taxes have decreased due to smaller workforce.</i>	ALMOST

See appendices 1-3 for how metrics are defined

SOME TARGETS NEED FURTHER INVESTIGATION

NEW EMPLOYEES

TARGET: 4 NEW PER YEAR

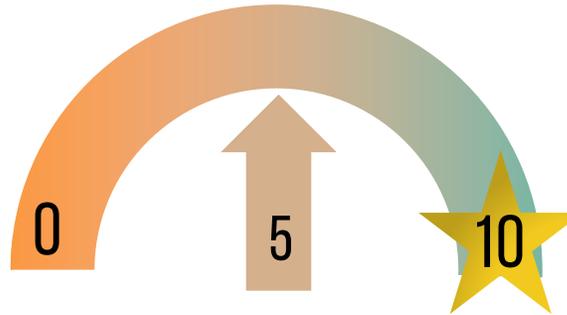


NO NEW RECRUITS
SINCE AUG 16

How can the target of 1 new employee per quarter be met in the future?

WORKFORCE SIZE

TARGET: 10 EMPLOYED AT ANY TIME

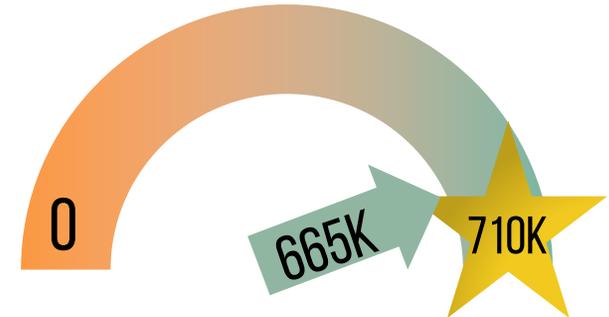


WORKFORCE IS HALF THE
EXPECTED SIZE

How can this target of 10 employees at any time be met in the future?

SAVINGS TO STATE

TARGET: 750K POUNDS



CURRENT GOVERNMENT
SAVINGS 665K

BT can meet this target if more ex-offenders are employed.

2 NEW TARGET VALUES HAVE BEEN SET

AGE AT JOINING

SET TARGET: 85% BETWEEN
AGES 20 AND 29



ALL CURRENT EMPLOYEES
STARTED AT TARGET AGE

How can a mix of younger and older start ages be achieved?

SERIOUS OFFENSES

SET TARGET: 85% OF EMPLOYEES
FROM SERIOUS OFFENSE BACKGROUND



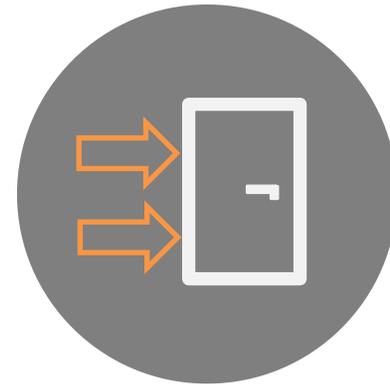
ALL CURRENT EMPLOYEES
COMMITTED A SERIOUS OFFENSE

How can a mix of serious and other offenses be achieved?

The new targets allow for experienced and older, potentially long-term unemployed builders to join BT in the future.

This is expected to positively influence the skill development of younger employees at BT.

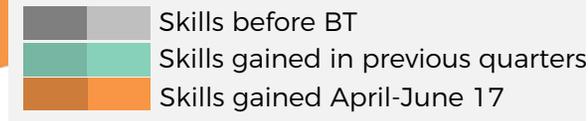
WORKFORCE CHANGES APR-JUNE 17



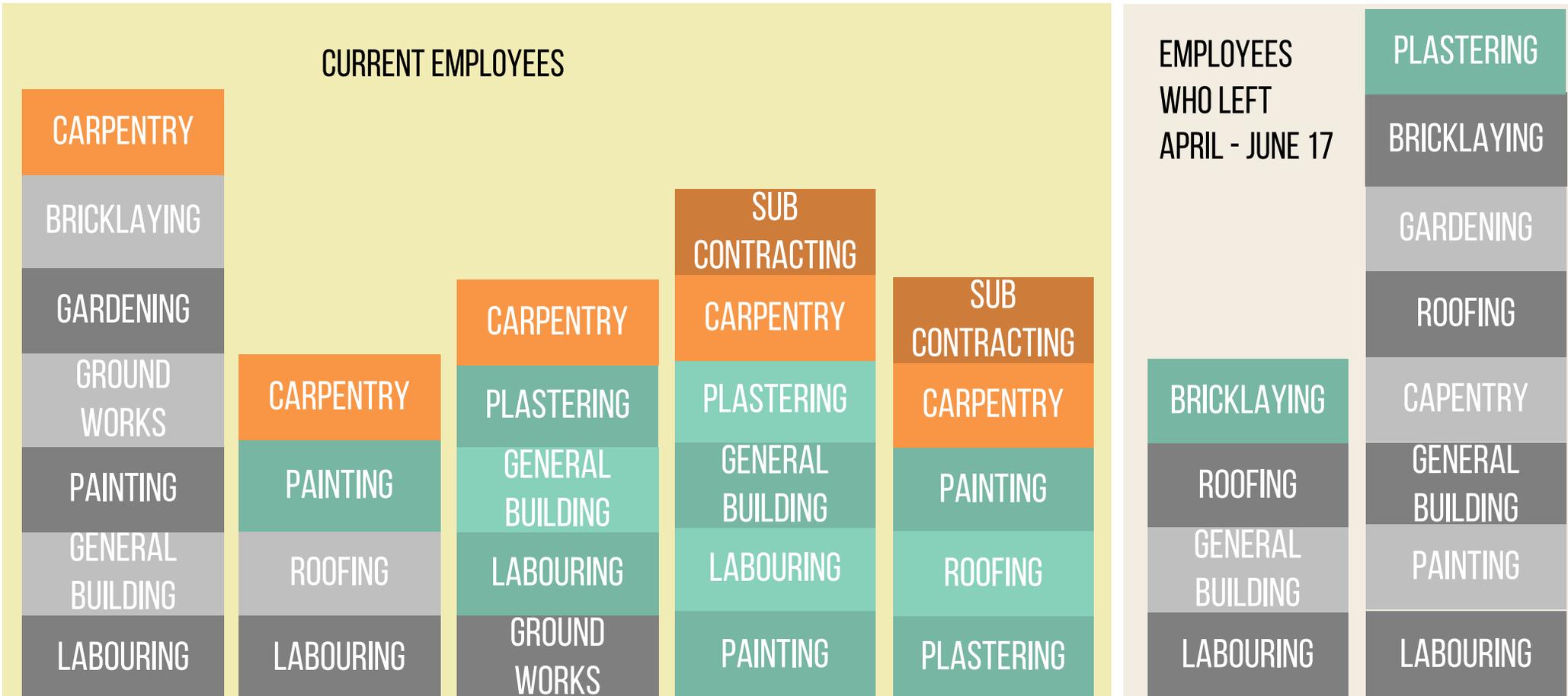
2 EMPLOYEES MOVED ON FROM BT

One Employee left on mutual consent, the other one was dismissed.

CLIENTS ARE BUILDING A COMPREHENSIVE SKILL SET



All current employees gained new skills over the last term. This sets them up for a successful career when leaving BT in the future.





FUTURE PROOFING AT BT

Recently, two employees have started sub-contracting on site to gain valuable insights into calculating rates for their own work.

This experience prepares them for a potential self-employed career in the future.

THE IMPACT OF BT'S LOW RE-OFFENDING RATES REACHES WIDER THAN THE CLIENTS



Clients are 10x less likely to re-offend whilst working with BT compared to the national average.

Recently, none of the employees have reoffended.

SAVINGS TO THE STATE FROM LOW RE-OFFENDING RATES

£665K

Low re-offending rates result in governmental savings through direct imprisonment costs.¹



¹ See Appendix for methodology.

FUNDS ADDED TO GOVERNMENT THROUGH EMPLOYMENT

The work of BT provides longer lasting levels of employment and therefore adds funds to the government.

£96 K

ESTIMATED FOR APRIL 17

£91 K

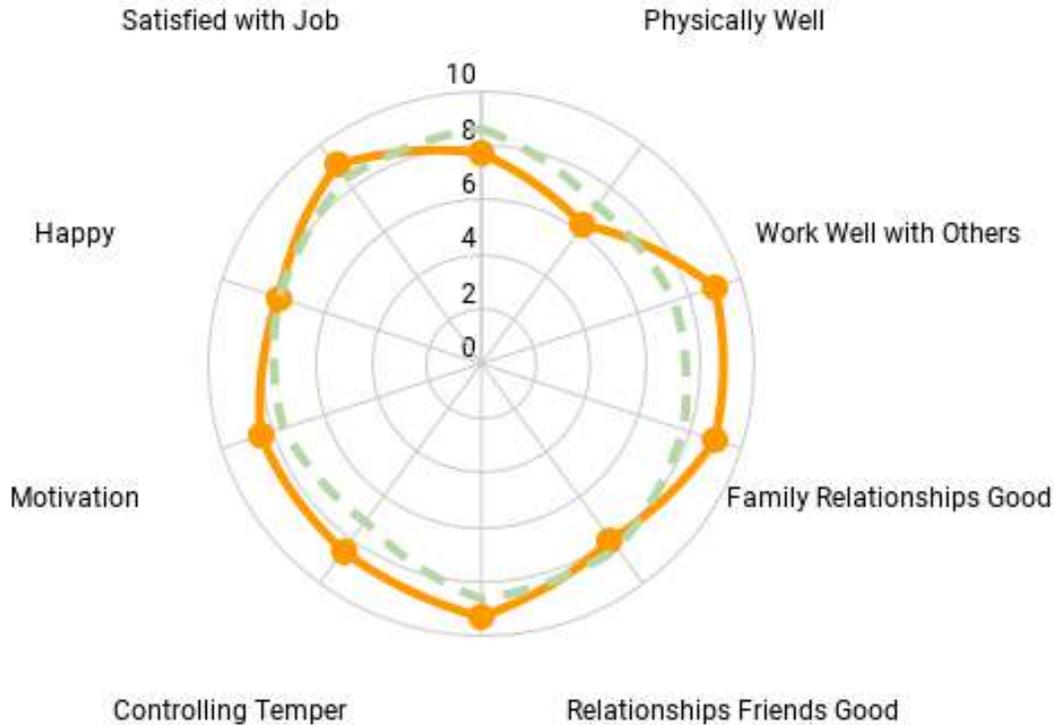
ESTIMATED FOR JULY 17

The total tax & NI contributions added, and work-related benefits saved, resulting from BT's work¹ have decreased as the result of a smaller work force.

¹ See Appendix for methodology.



WELLBEING VALUES REMAIN HIGH

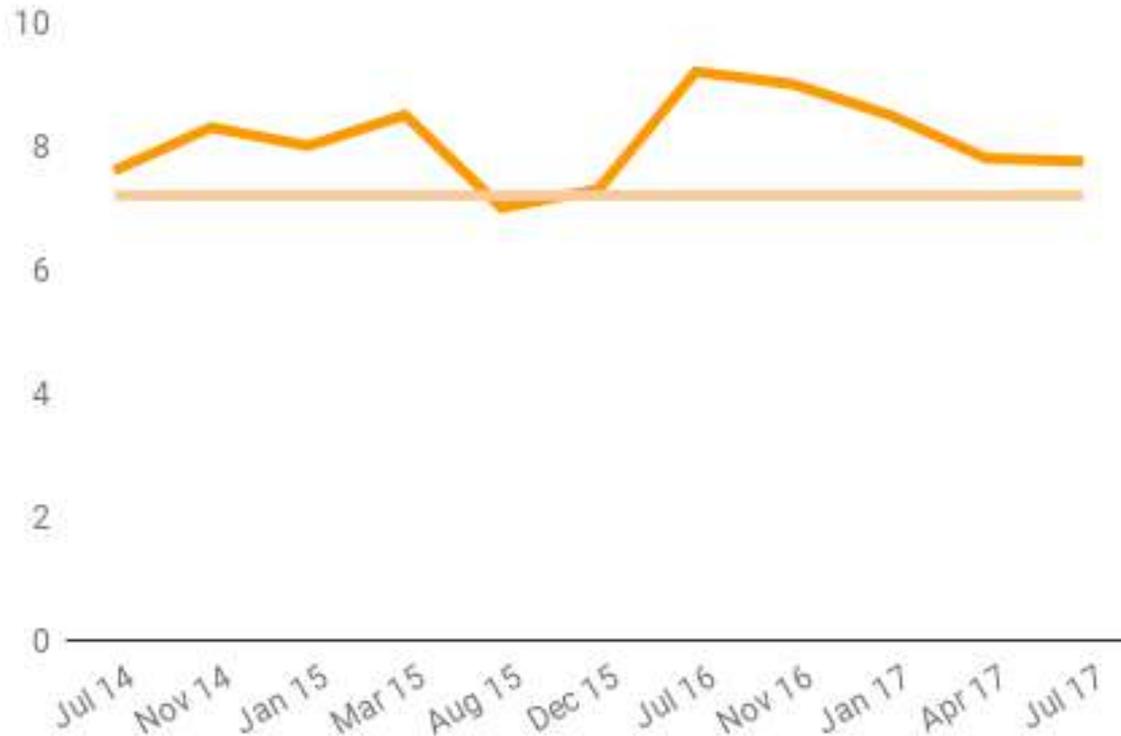


The overall wellbeing average is 8.3, which is in line with BT's target average of 8.

None of the values have changed significantly over the last quarter.

July 17
April 17

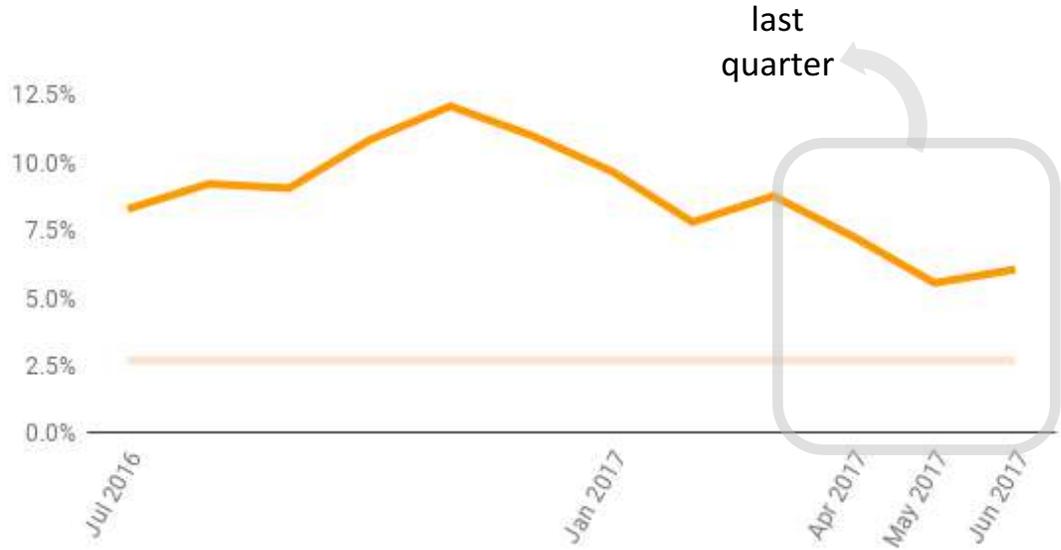
HAPPINESS SCORES ARE EQUAL TO THE BRISTOL AVERAGE



The BT Happiness score has remained stable over the last term, and is still equal to the Bristol average.

BT Happiness Scores
Bristol Average Happiness Score

ATTENDANCE HAS NOT CHANGED



Sickness and unauthorised absence levels have been maintained over the last quarter.

BT sick & unauthorised absence
National average

APPENDICES

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If you have any questions please contact: chloe@coreinsightsuk.com

APPENDIX 1: ILLUSTRATIVE METHODOLOGY FOR WORKING OUT GOVERNMENT SAVINGS (BOSTON CONSULTING GROUP METHODOLOGY)

DIRECT IMPRISONMENT SAVINGS:

Average Bristol Prison re-offending rate within 1st year

BT re-offending rate

Difference

prevented 1st year re-offences (based on 45 employees)

Average cost to state of imprisonment / prisoner

Average sentence length

Direct imprisonment savings from preventing first re-offence

$$54\%^1 - 4.4\%^2 = 49.6\% \times 24^3 \Rightarrow \pounds 1.88\text{k}/\text{m}^4 \times 16\text{m}^5 \sim \pounds 723\text{k}$$

1. Bristol Prison rate used as ~90% of BT's clients are from there. Bristol prison reoffending rate is 72% for sentences <12 months, and 35% for sentences >12 months (Open Justice UK). Presented number is a weighted average based on average sentence length of released prisoners - 52% has sentence of <12 months (MOJ, Prison release data, 29 Oct 2015). 2. BT database 3. BT has had 45 clients to date (BT database). 4. Average direct cost of imprisonment per adult male per year, weighted by prisoner category. Excludes indirect cost e.g. fixed costs (MOJ, Costs per place and costs per prisoner, 29 Oct 2015). 5. Excludes life and indeterminate sentences (Criminal Justice Statistics Quarterly Update, 18 Feb 2016).

APPENDIX 2: METHODOLOGY FOR WORKING OUT GOVERNMENT SAVINGS

(BOSTON CONSULTING GROUP METHODOLOGY)

Work related benefit savings	# BT clients to date	Offenders claiming benefits 1-month post release	Est. # clients on benefits without BT	Avg. cost of ex-offender benefits/ ex-offender	Average tenure (months)	Work related benefit savings
	45	1	24.3	£1,800 ¹	19	£68,440
Tax and NI contributions	Average # of BT clients at a given time	Ex-offenders in tax-paying employment 1 year after release	# additional people paying tax & NI due to BT	Expected tax & NI contributions per employee	Number of years BT has been operational	Tax and NI contributions
	9	22%	7.0	£1,100 ²	5	£38,610

1Average cost of benefit payments over first 3 years following release to ex-offenders who make an initial JSA claim. Accounts for coming of and on different benefits within the period (MOJ & DWP, Offending, employment and benefits, Nov 2011)

2 Based on working a 35hr week on the living wage.

APPENDIX 3: OPERATIONAL SCORECARD CALCULATIONS

Measure	Key Performance Indicator	Notes
 <p>Client Turnover</p>	<p>% 'new' clients in workforce in last quarter</p>	<p>Calculated as # of clients with < 6 months tenure/ total # of clients</p>
 <p>Client Offense</p>	<p>% of clients with significant offenses.</p>	<p>Average of offenses with sentence lengths of >6m (violence, sexual, burglary, fraud, criminal damage, motoring, drugs). These have to be declared for 4 years & would decrease offenders' employment chances.</p>
 <p>Joining Age</p>	<p>% clients who start between 20 and 29</p>	<p>% of current clients who join at a young age.</p>
 <p>Client Engagement</p>	<p>Client's level of wellbeing (out of 10)</p>	<p>Average score across all the wellbeing indicators for the most recent survey</p>

APPENDIX 3: OPERATIONAL SCORECARD CALCULATIONS

Measure	Key Performance Indicator	Notes
 <p>Client Employment</p>	# clients currently in continuous employment	Only clients who have uninterrupted employment, but including part-time
	Average client tenure with BT	Calculated as av. time employed by BT of clients who have left BT
	% clients going to employment/ education after leaving BT	Calculated as # of clients entering employment/ education on leaving BT/ total # of BT clients that have left to date
	% clients in employment 2 years after leaving BT	# clients in employment or education 2 years after leaving BT/ Total clients who left TTG at least 2 years previously. Note that this is tracked where practically possible, where not possible their latest information is used.

APPENDIX 3: OPERATIONAL SCORECARD CALCULATIONS

Measure	Key Performance Indicator	Notes
 <p>Client Re-offending</p>	<p>Client re-offending rate whilst with BT</p>	<p>Calculated as # of clients who have re-offended at TTG / total TTG clients to date</p>
	<p>Client re-offending rate 2 years after leaving BT</p>	<p>Calculated as # of clients who have reoffended at TTG + # reoffending 2 years after TTG / total TTG clients to date</p>
 <p>Benefits to the state</p>	<p>£ saved through re-offending rates</p>	<p>Based on BCG methodology. See Appendix 1</p>
	<p>£ added through employment</p>	<p>Based on BCG methodology. See Appendix 1</p>