A Social Return on Investment Analysis for Tinder Foundation

February 2016

Index of Contents

Executive summary	4
1.0 Introduction	7
2.0 Stakeholder Engagement	12
3.0 Theory of Change and Outcomes	16
4.0 Findings	20
5.0 Recommendations and Conclusions	22
References	32
Appendix 1: Sensitivity Analysis	35
Appendix 2: Interview Guides	36
Appendix 3: Technical appendix	37

List of Figures

Figure 1: Segmentation of stakeholders 13
Figure 2: Theory of change: Progression 17
Figure 3: Theory of change: Relationships 18
Figure 4: Theory of change: Wellbeing 18
Figure 5: Theory of change: Health 19
Figure 6: Theory of change: Economic outcomes 20
Figure 7: Theory of change: Business outcomes 21
Figure 8: Theory of change: Government 22
Figure 9: Share of value: All stakeholders 24
Figure 10: Share of value: Learners 25
Figure 11: Share of value: All outcomes 26

List of Tables

Table 1: Stakeholder audit trail 12
Table 2: Stakeholder engagement locations 13
Table 3: Findings from stakeholder engagement 13
Table 9: Sensitivity analysis 26

Research Team

Just Economics

Eilís Lawlor

Niamh Bowen

Tinder Foundation

James Richardson

To be read in conjunction with the SROI Excel Model, available from Just Economics on request.

www.justeconomics.co.uk

EXECUTIVE SUMMARY

Key Findings

The Social Return on Investment value far exceeds the cost of the Future Digital Inclusion investment. This translates into a ratio of 5:1, or for every £1 invested in the programme £5 of social value is generated to stakeholders.
Based on 2014/15 data, we forecast the present value of the social benefit created by the BIS Future Digital Inclusion project will be £17.5m for an investment of £3.5m.
Across stakeholder groups, learners are the biggest beneficiaries with 86% of the value. About half of this benefit goes to disabled people.
The remaining 14% is benefit to the government. The present value of the benefits to the government is £4.6 million, which equates to a return of 1.5 for every £1 invested.

Key benefits to UK online centre learners

Progression to employment, training, volunteering or improved job prospects/job-seeking skills
Health improvements including being able to manage health online and access health advice remotely
Better relationships through being able to stay in touch and make new friends either through the course or online
Wellbeing benefits through access to hobbies, improved confidence and independence (particularly for disabled people)

Key benefits to government

Improvements in learners' digital skills and ability to find work leads to more people in work, reducing welfare payments and administration
Higher digital skills base of learners leads to greater productivity
More people using online government services generates channel shift savings

This report details a Social Return on Investment (SROI) analysis of Tinder Foundation's Future Digital Inclusion Programme (FDI). This programme is funded by the Department of Business, Innovation and Skills (BIS). FDI is a £15 million programme which aims to help 1 million people to get online.

The FDI programme funds digital inclusion through the UK online centre network, a mass movement of thousands of local delivery partners, coordinated and led by Tinder Foundation. At the time of this evaluation, Tinder Foundation directly funded over 200 UK online centres through the FDI programme. The BIS investment is allocated to fund face-to-face delivery of digital skills in community learning settings. It also supports Tinder Foundation to develop and curate its primary online learning platform, Learn My Way, which adds capacity to both funded and non funded centres.

The online centre network is a diverse group of community and grassroots organisations. The common feature of UK online centres is that organisations embed digital support in existing community development work. Tinder Foundation and the UK online centres network understand that digital and social exclusion are inextricably linked; this often leads to UK online centres delivering a number of services and opportunities which benefit their community, with digital as just one part of this wider offer. Many UK online centres also provide outreach learning sessions in the local community. These make their services more accessible, and are often necessary to overcome geographical and financial barriers, as well as confidence and motivational barriers, for learners that would not consider attending a formal learning environment. In addition, the UK online centres network coordinates over 17,500 volunteers who help people in their communities to develop their digital skills.

Findings from qualitative data show that UK online centres and Learn My Way are highly valued by learners for the opportunity they provide to develop digital skills and socialise with others. As a specific learner group, disabled learners reported very high satisfaction with the service provided by UK online centres. This group described reduced marginalisation and clear social benefit from their attendance at the UK online centre. There was evidence that disabled learners who went on to become volunteers gained a significant benefit by moving into unpaid employment. This augments the positive effects associated with the feeling of contributing to community and increased self-esteem. Unemployed people also receive support from UK online centres that is unavailable elsewhere. Because UK online centres offer intensive support, they disproportionately support people who are very excluded from the labour market.

This evaluation found strong evidence that the delivery of digital skills training is most effective as part of wider community development work. Because low digital engagement is rooted in issues of social exclusion, it makes sense to deliver digital inclusion work in venues which provide holistic social support. 79% of UK online centres' learners meet at least one criterion of social exclusion. UK online centres are hugely

valuable because they tailor learning to individual needs and promote digital training within the context of wider skills and support needs.

About SROI

SROI is a participative, mixed methods evaluation framework, which enables the monetisation of outcomes that traditionally have not been financially valued. These include values such as improved wellbeing, improved confidence, and greater independence.

Two primary stakeholder groups were identified to take part in the study: learners and the government. Among the learner population, the analysis focuses on the outcomes generated in 2014/15 for four priority groups: unemployed people, disabled people, those on a low income, and SMEs. Data from Tinder Foundation and IFF (2015), indicate the proportions of these target groups within the wider UK online centre learner community:

- Unemployed people: 27% of learners are unemployed.
- Disabled people: 35% of learners report to have some form of disability
- Those on low incomes: 56% of learners are in receipt of means-tested benefits 56%. 30% of learners are in poverty, according to HBAI relative income measures
- SMEs. 5% of learners are self-employed.

1.0 INTRODUCTION

In 2015, Tinder Foundation commissioned Just Economics to carry out a Social Return on Investment (SROI) analysis of the Department for Business, Innovation and Skills' (BIS) funded Future Digital Inclusion (FDI) programme. The contract to deliver the Future Digital Inclusion Fund**,** awarded in November 2014, was intended to enhance the digital skills of 200,000 people in 2014-15, and led to 2,000 people gaining an Entry Level 3 accreditation in Online Basics (which provides 1 credit at Entry Level 3 on the City & Guilds ITQ). The programme was delivered through the national network of UK online centres, 266 of which were in receipt of FDI funding in 2014-15. A parallel piece of research has been carried out that focuses on the effect of Tinder Foundation's support on the capacity of the network, and the role that UK online centres provide as vehicles for learner progression, especially progression to further education in disadvantaged communities.

A steering group for the analysis project was established in May 2015 to advise the research team on the development of the SROI. This consisted of representatives from Tinder Foundation, Just Economics and the UK online centres network, as well as policy representatives from BIS and the Government Digital Service, and research support from Oxford Internet Institute.

SROI is a form of cost benefit analysis that compares the value created by an intervention to its costs to make an assessment of whether an intervention is good value for money. It differs from conventional cost-benefit analysis in two key ways. First, it places a monetary value on non-traded benefits, such as quality of life, which have historically been considered non-quantifiable. Second, it takes a multi-stakeholder approach - rather than measuring 'returns' only to the government or the economy, it includes and measures all of the most significant sources of value creation. The analysis in this report is conducted in line with the UK's official SROI methodology (Nicholls et al. 2009).

1.1 Scope

Two primary stakeholder groups were identified to take part in the study: learners and the state. Learners were segmented into the four FDI target groups:

- Disabled people. 35% of learners report to have some form of disability (IFF, 2015).
- Those on low incomes. About half of learners are in receipt of means-tested benefits.
- SMEs. About 5% of learners are self-employed.
- Unemployed people. About a third of learners are unemployed.

Volunteers were also identified as a potential beneficiary group but were not included due to a lack of outcomes data. This gap has already been addressed by Tinder

Foundation who are in the process of gathering outcomes for this group with a view to reporting in 2016.

The period of analysis is 2014/15, as this is the period for which data are available. The social value calculations are based, for the most part, on primary research. However, where data gaps emerged e.g. for SMEs, some of the assumptions are supported by evidence from the secondary literature. Recommendations for how the evaluation could be improved through further data gathering are included. Primary data was gathered through a baseline (n=4,482) survey and follow-up survey (n=696). The statistical analysis of the baseline and follow up was carried out by IFF Research. Additional analysis was carried out by IFF on the target groups for Just Economics.

1.2 Tinder Foundation's Digital Inclusion work

Tinder Foundation is a registered charity funded primarily by the Department of Business, Innovation and Skills (BIS), as well as receiving funding and working in partnership with organisations across the public, private and voluntary sector, to tackle digital and social exclusion. It runs the UK online centres network, originally set up by the government in 1999 with the aim of ensuring everyone can benefit from digital.

Today, the 5,000 strong network comprises 3,000 centre partners that commit to providing support to help people improve their digital skills. These centres benefit from the training, resources and support provided by the Tinder Foundation, as well as being able to apply for funding to participate in specific programmes. The network also includes 2,000 centres that provide free or low cost access to the internet and support the charity's mission to promote digital inclusion across the country.

Tinder Foundation offers free membership to any community organisation committed to getting people online. All of the centres in the network have access to free marketing materials, advice and advocacy, and they all have access to a free online learning platform - Learn My Way (www.learnmyway.com). The aim is to provide dedicated, regular help to support the network. In addition, the UK online centre network has a community of over 17,500 volunteers helping people in their communities to develop their digital skills.

Within the 5,000 organisations in the network, there are varying levels of engagement. Around 300 centres are highly engaged and active within the network (those who use Tinder Foundation's Management Information platforms to record learner data, respond to centre surveys or read the network newsletter). Tinder Foundation also estimates that another 800 centres are highly engaged' even if they are not receiving funding. Findings from the parallel project on FE progression found that centres were equally positive about the contribution of Tinder Foundation to their work, whether they were funded or not. However, this leaves a large number of centres that little is known about and we would caution from extrapolating from these findings to all 5,000.

1.3 UK online centres

The majority of active and engaged UK online centres are based in front-line community organisations operating in areas of high economic deprivation and social exclusion. Indeed, physical location of centres within the 10% most deprived wards has always been one of the core criteria for funding, including the Future Digital Inclusion programme.

Although some centres specialise in digital inclusion, hardly any do so exclusively, and for most digital inclusion is only one of many services they offer. For example, around a third of highly active and engaged centres (around 200 centres) offer some kind of English as a Second Language (ESOL) provision, and slightly more offer benefits advice. Nearly half offer literacy and numeracy classes, and almost two-thirds offer help to those looking for work.

The UK online centres delivery model is notably informal and flexible, with drop-in computer classes offered almost universally, allowing learners to choose their own direction with support from trainers and volunteers. Although many centres offer internal progression routes to accredited qualifications and vocational certification, there is a strong focus on slowly and carefully re-engaging people in learning and other activities that will lead to progression towards employment, better health and other positive outcomes. Confidence-building is an important part of what centres do, especially for older learners who lack faith in their ability to use technology, people with learning difficulties and disabilities, and the long-term unemployed – some of whom have recently found themselves in the labour market for the first time as a result of welfare reforms.

Another driver of demand for centre services has been the introduction of Universal Jobmatch, the Jobcentre's online system, which jobseekers are required to register for and use under threat of benefit sanction. As a result, Jobcentres have referred jobseekers to UK online centres in huge numbers but - with the exception of financial year 2012/13 - this has not been accompanied by associated funding from the Department for Work & Pensions. Nonetheless, many centres have responded by providing employability support services, which have further expanded their remit.

Apart from those that offer specialist support to groups like women in crisis, refugees or disabled people, most centres have an 'open door' policy: they will help anyone who approaches them, no matter what their circumstances or what they need help with. Centres report that the recent recession and subsequent cuts to services has led to an increase in demand for services, particularly as other local services are reduced or cut entirely. In some cases, this has led to centres stepping up to new roles to meet this demand. For example, UK online centres provide financial advice services and food banks; run healthy eating and exercise classes; and provide physical venues for face-to-face social contact for lonely and isolated people. This is believed to be especially important for older and disabled learners for whom the social aspect of attending classes can be as important as what is learnt there.

Due to factors including poverty, social and geographic isolation, and previous negative experiences of formal education, many digitally and socially excluded people will not present themselves for training, even at informal learning venues like UK online centres. For these learners outreach delivery is crucial: sending trainers (and if necessary mobile IT equipment) to locations that are known, trusted and well-used by people in the target demographic; in some cases trainers even travel to people's homes to provide digital training.

Contribution of volunteers

Around 90% of active and engaged centres use volunteers to deliver digital skills training and other services. In the face of cuts to funding at a local level, volunteer support has become increasingly important, with some centres exclusively volunteer-run, except in some cases for one or two core members of staff. Volunteers add value in interesting ways: refugees and asylum seekers can provide translation services for ESOL learners which would otherwise be unaffordable, and both they and retirees or jobseekers can bring valuable skills from previous jobs in fields such as teaching, counselling, administration, advice work and IT. Volunteering also provides a strong internal progression pathway for learners, with around a third of those learners who volunteer doing so in the same UK online centre where they have gained their IT skills. For learners who have been out of the labour market for a long time, the opportunity to gain work experience and a reference in the role of informal IT skills tutor ('Digital Champion') - which requires responsibility and strong interpersonal skills - is invaluable.

Learn My Way

Learn My Way (www.learnmyway.com) is the online learning platform provided by Tinder Foundation to UK online centres. It has been designed to help people learn how to use the internet in a fun and accessible way. Learners can try the free online courses at home, work their way through with a friend or family member, or go to their local UK online centre for some friendly help and guidance. Learners work from module to module depending on their interests. Once basic skills are mastered more in-depth learning is available in areas including job-hunting, shopping, socialising and managing money online. Progress is automatically recorded by the system, which is useful for both the learner and for the UK online centre.

1.4 Policy and Needs Analysis

The latest data from the ONS suggests that 11% of adults (5.9 million) had never used the internet (ONS, 2015). Although this number continues to fall, the pace at which it is doing so continues to be slow and may have halted for some groups such as older people and those with the lowest levels of education (Helsper 2011). Low income has been found to have a strong negative correlation with digital inclusion (Foley 2004; Selwyn 2003), as does employment status and level of education. The latest report from the Oxford

Internet Survey highlights the challenge of getting the last fifth of the population online. Fewer than half of those with no formal education have internet access. Internet use has risen since 2011 amongst this group, but it is still only 58% (Dutton and Blank, ibid). Although the rate of participation has been rising for disabled people, the gap with non-disabled people has not been closing (51% and 84% respectively) (Dutton and Blank, 2013). Internet use also varies by region and tends to reflect existing economic disparities. For example, only 13% of people in London have never been online compared to 25% of people in Northern Ireland (ONS, 2015). In richer, urban areas, where innovations are common and support facilities are available, there tend to be higher levels of ICT (information and communications technology) skills and digital participation (Loader and Keeble 2004).

In addition, education and digital skills are interlinked. Eurostat data suggest that only 12% of those that are highly educated have no digital skills compared with 63% of those with low or no education (Ala-Mutka, Punie, and Ferrari 2009). Access to technology has been identified as an essential ingredient to successful learning (Fiorini 2010), educational attainment and grade improvement (Schmitt and Wadsworth 2006; Jackson, 2006; Chowdry, 2010). Research also suggests that around 65% of people rely on the internet as a first source for professional, school and personal information (Dutton and Helsper 2007).

The clear correlation between digital and social exclusion persists in spite of considerable technological change and fifteen years of policy interventions specifically targeting disadvantaged sections of society (White and Selwyn 2013). Not only is there a social gradient in access to the internet, the purposes for which people use it varies by social and demographic factors. For example, younger people and those in higher income brackets are more than twice as likely to use the internet for banking and government services (ibid.). Furthermore, those who need access to services the most are the least likely to take advantage of online services even when access is available (Helsper 2011). This is exacerbated by the increasing digitisation of government. For example, it has been estimated that roughly 89% of UK public services are now run online, yet just 32% of the UK population is using the Internet to access them[1] and as much as 80% of government interaction with the public takes place with the bottom income quartile of society (The Chartered Institute for Taxation, 2012).

UK online centres are anchored in disadvantaged communities and as such are particularly well placed to support people to become digitally included. 79% of UK online centres' learners meet at least one criterion of social exclusion[2], and centres tailor

[1] Refers to percentage of people completing submitted forms to public authorities or services. Source: ONS: Internet Access - Households and Individuals (2014). Available online at: http://www.ons.gov.uk/ons/dcp171778_373584.pdf

[2] This is a Tinder Foundation definition. Learners must meet one of the following: Educated below Level 2, In HBAI relative income poverty, In receipt of benefits, Unemployed, Living in social or sheltered housing.

learning to individual needs and promote digital training within the context of wider skills and support needs.

As well as identifying the discrete, project-specific benefits of attending UK online centres we have identified factors that have contributed to someone remaining digitally included in the future. In this way, the research will contribute to the literature by identifying ingredients that make up a successful intervention for particular groups and what it means to be an effective user of the internet.

2.0 STAKEHOLDER ENGAGEMENT

The first research activity carried out was stakeholder engagement. In SROI analysis 'stakeholder' refers to any group or entity that has an effect on the intervention, or is affected by it. The involvement of stakeholders at this stage ensures that the SROI measures and values the things that are most important to those directly experiencing the change (in this case, the impact on digital skills as a result of the Future Digital Inclusion programme).

The relevance of any stakeholder group to the analysis needs to meet a materiality test if they are to be included. This materiality test asks whether sufficient social value is likely to have been created for that stakeholder group, relative to the whole, to merit its inclusion in the analysis. The aim is to focus the theory of change on the most significant outcomes whose omission would influence organisational decision-making.

The diagram below shows the stakeholders that were identified during the stakeholder engagement.

Figure 1: Segmentation of Stakeholders (Tables 1-3)

The stakeholders that were included and excluded as a result of the engagement phase are described in Table 1.

Stakeholder	Method of engagement	Number engaged	Taken forward in model	Reason for decision
Jobseekers	Interviews/Focus groups	10	Yes	Target group of FDI and adequate data
Low income	Interviews/Focus groups	5	Yes	Target group of FDI and adequate data
Centre managers	Interviews	13	No	Material only to inputs and to providing a perspective on change for the learners
Disabled people	Interviews/Focus groups	10	Yes	FDI target group and adequate data
People with learning disabilities	Interviews	6	Included with disability group	Considered important sub-group but insufficient data to model separately
SMEs	Focus group	4	Yes	FDI target group. Issues with data quality, however some secondary data available

State (BIS and NHS England)	Steering Group representation	2	Yes	Important corollary benefits. 'Digital by default' is an important agenda for government
Tinder Foundation	Group discussion	2	No	Material only to inputs and to providing a perspective on change for the learners
Disabled jobseeker	Interviews/Focus group	5	Included with disabled group	Main beneficiary and adequate data
Volunteers	Focus group	12	No	Insufficient data
Total engaged		**69**		

Table 1: Stakeholder Audit Trail

Five sites were selected for a visit. Table 2 lists these locations and their specialisms.

Region	Primary Specialism	Rural/Urban	Geographical Area
Bristol	Disability	Urban	South West
South Shields	Disability	Urban	North East
Colburn	Low income/ Jobseekers	Rural	North East
Stockport	Low income/ Jobseekers	Urban	North West
Saltburn	Low income Jobseekers, SMEs	Rural	North East

Table 2: Stakeholder engagement locations

These locations were chosen as they included a representation of the target groups - disabled people, SMEs, jobseekers and volunteers. The jobseekers engaged were either part of work clubs or used the centre for drop-in purposes. The disabled people interviewed had physical disabilities and/or learning difficulties and/or mental health difficulties. The SMEs interviewed were affiliated to one particular UK online centre. The volunteers interviewed represented four of the five centres. Ages for all groups ranged from 20 to 65 years.

Most of the centre managers were interviewed, and individual interviews were also deemed most appropriate for people with some types of disability, otherwise focus groups were the main form of information gathering. People with mental health problems, disabilities or learning disabilities were grouped together in one category as their outcomes are similar. Researchers followed a short semi-structured interview (see Appendix 3).

The number of SMEs engaged was smaller than other stakeholder groups, which reflects the relative reach of the programme to this group.

Table 3 summarises the main findings from stakeholder engagement.

Stakeholder	Short-term change	Medium term change	Long-term change
Job-seekers/low income	• Learning job-seeking skills • Confidence – self and with technology • Feeling respected • Getting a routine in their life • Meeting new people • Saving money	• Applying for jobs online • Optimism about future • Further training/apprenticeships • Using new skills to help others • Making new friendships • Better communication with friends/family • Saving money	• Employment • General wellbeing • Improvements to health • Less socially isolated • Saving money
People with disability, mental health or learning difficulties	• Learning job-seeking skills • Confidence – self and with technology • Exploring hobbies and personal interests • Meeting new people	• Applying for jobs online • Optimism about future • Making new friendships • Greater independence • Better communication with friends/family	• Employment • Less socially isolated/improvement in mental health • More independent • Improvements to health
SMEs	• Getting business established • Develop digital skills • Marketing/online sales/social media strategies	• Networking with other SMEs • Save time – more time to spend on business • Financial savings from cost reductions	• Increase in sales • Reduction in costs • Expansion and sustainability of business
Volunteers	• Increase in self-esteem • Ability to deal with new challenges • Improved communication skills	1. Move into further education 2. Move into employment 3. Improved wellbeing	

Table 3: Findings from stakeholder engagement

Additional findings from Stakeholder Engagement

Motivation to engage

Jobseekers included short and long-term unemployed. Both types of jobseeker were primarily motivated to attend to get help with jobseeking and to improve their employability by having an additional skill that they could include on their CV. Some

were using the centre to get help with other areas of learning such as to improve their literacy or numeracy. All jobseekers were also keen to use the internet to fulfil their jobseeking obligations and this was the primary motivation for a minority of learners. Jobseekers were also motivated by non-employment related benefits. These included learning a particular skill like Skype, or hobbies such as researching genealogy.

People with disability, mental health or learning difficulty were primarily motivated by the social aspect of the courses. They stressed the importance of the opportunity to engage socially, to get out of the house, make friends and gain independence.

SMEs were motivated by the need to learn digital skills for the purposes of getting their business online, to improve existing digital skills for business purposes, and to establish an online presence for their business.

Learners across all of the groups mentioned the potential benefits of being able to save money online and to feel more socially included.

What are learners doing online?

Online activities of learners were jobseeking, passing on skills to others, researching personal interests, social media, using email to communicate with family and friends, comparing prices of products and services, banking, paying bills and shopping. The types of help people searching for jobs received included help uploading CVs, writing cover letters, interview skills, mock interviews, and career path advice. **Without exception everyone we spoke to said they would continue using technology in the future. Most people said they would ascribe 75% of the benefits they reported to their involvement with the centre.**

What could be improved?

The main barrier experienced by people was the financial cost of having internet access or devices. For learners in one of the rural centres, poor broadband connectivity was a barrier to going online.

A number of areas where Tinder Foundation, its funders and stakeholders could help to improve the provision of services to those that are digitally excluded were also gathered during this phase. These were:

- Having more access to advanced courses in digital skills
- Disabled people would like to have access to more disability-specific software
- Funding for more and better equipment
- Funding to improve internet network connections within the centres
- More stability of funding
- More training in jobseeking skills for clients
- More space for learners because of differing needs, i.e. having separate IT suites
- SMEs felt that evening access to help and support would be beneficial due to pressures on time during business hours.
- More UK online centres, especially as more government services are provided online.

Negative impacts

Most people did not see a negative side to being online. Some said they would be concerned about privacy issues, particularly in relation to banking and other personal information, even if they were not sharing personal information online. Others said that they felt that technology was moving so quickly that it was easy to get left behind. They all felt they were careful with their personal data as a result of advice they received in the UK online centre.

Success factors

Co-location of services in UK online centres was regarded very positively. There was a sense of having the opportunity to meet with other people, a sense of community; a nice atmosphere; and also knowing you could access other services was seen as a distinct advantage. Many people were also using other services in the UK online centre.

A second major factor that people mentioned was the friendly atmosphere in the centres and the personalised support that they are able to offer.

Finally, most said other locations were not as suited to their needs. For example, library opening times are not flexible and in some instances not suited to the needs of learners. Many people with disability, mental health or learning difficulties were emphatic that they would have stayed at home but for the UK online centre. However, most people also reported getting help from family, friends or support workers.

3.0 THEORY OF CHANGE AND OUTCOMES

The theory of change describes the relationship between inputs into an organisation or an intervention and the short, medium and long-term changes that then occur. These changes can be positive or negative, intended or unintended, and are examined for each stakeholder group in turn. The final outcomes that are identified here are the ones that are taken forward to the modelling. In this section we describe the theory of change for each stakeholder group and explain how the quantitative phase of the research to evidence the outcomes was carried out.

3.1 Improved employment prospects

The main outcomes for unemployed people are learning the digital skills necessary to look for and apply for jobs. Our analysis suggests that these benefits are similar whether people have disabilities, mental health or learning difficulties or not. **About 7% of all learners and 5% of people with disabilities, mental health or learning difficulties progress**

to employment. Although these are small numbers, the centres are working with people who are very excluded from the labour market where any success in relation to employment is valuable. Also, **a far greater number, 66% reported some progression in relation to employment, whether it was improved employability skills, more jobseeking activity or improved confidence about job prospects** (Figure 2).

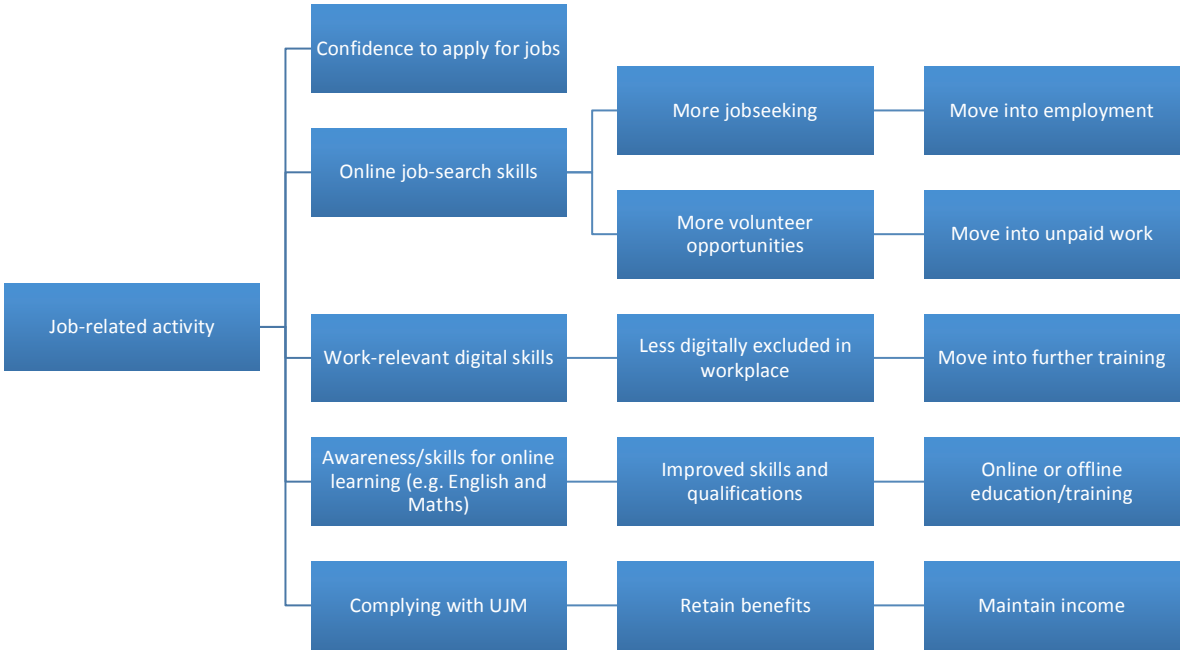

Figure 2: Theory of change: Progression

3.2 Relationships, health and wellbeing

A third of learners are motivated to sign up with Learn My Way due to a desire to keep in touch with friends and family (IFF, 2015). All of the groups we spoke to referred to the social and wellbeing benefits of going online (see Figures 3 and 4). The wellbeing benefits of greater independence were particularly important for people with disabilities, mental health or learning difficulties. In addition, about 14% of learners report having a mental health problem, making this area of potential benefit particularly important for them (IFF, 2015). People found the course itself an important source of social contact, as well as the internet providing access to social media and online communication such as email and Skype. For many learners the social aspects of attending a UK online centre were just as important as what they learned there.

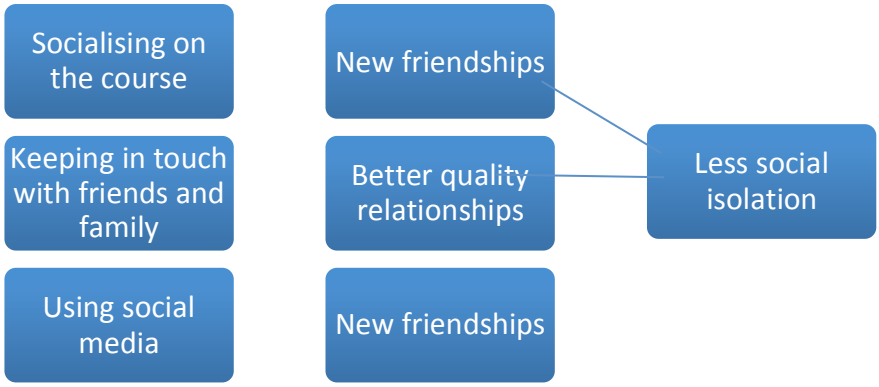

Figure 3. Theory of Change: Relationships

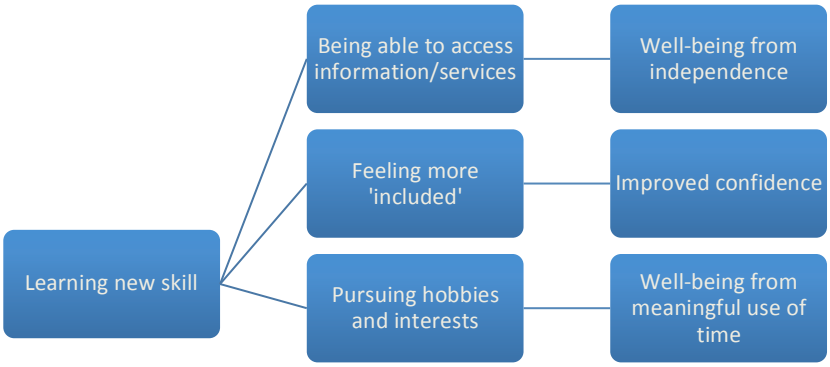

Figure 4. Theory of Change: Wellbeing

Health is increasingly an important benefit from using the internet as more and more people use it as a first source of health information (Beck, Richard, Nguyen-Thanh, Montagni, Parizot, Renahy, 2014). A quarter of learners sign up to Learn My Way because they want to find health information online (IFF, 2015). **Learn My Way contains a managing health module and 21% of registered learners in 2014-15 completed this, of whom 92% felt they had a better understanding of how to manage their health using online tools**[3]. We also calculate that approximately 81,000 health service visits were avoided by our target group as a result of going online[4] (see Figure 5).

[3] http://www.tinderfoundation.org/sites/default/files/research-publications/improving_digital_health_skills_report.pdf page 5

[4] Calculated from Learn My Way data by taking the median number of visits avoided and multiplying by the number of learners.

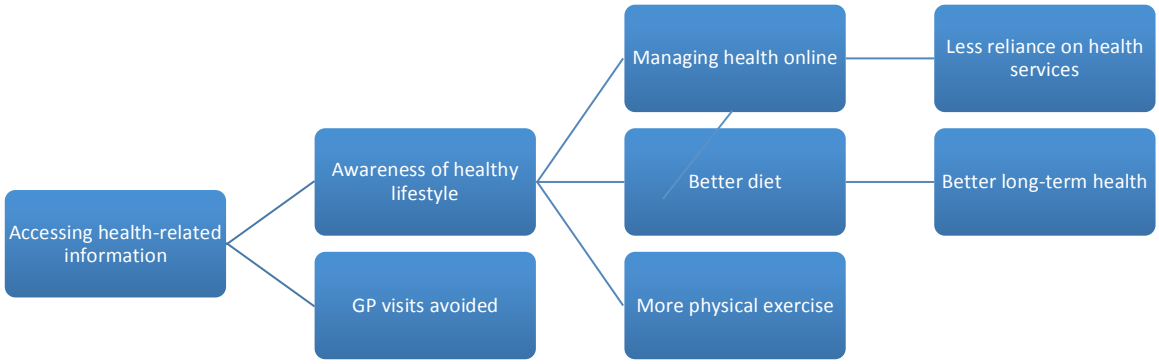

Figure 5. Theory of change: Health

3.3 Economic and business outcomes

Economic benefits to individuals

For individuals, economic savings are mainly accessed through saving money for researching purchases online, accessing online money advice services, and using services online that carry charges when conducted offline[5] (see Figure 6). About a third of learners are motivated to sign up through a desire to shop online and this is substantially higher for some groups, such as people with disabilities, mental health or learning difficulties (75%). Being able to access Universal Jobmatch to retain benefits motivated about 1 in 5 learners to access the service.

[5] http://www.tinderfoundation.org/sites/default/files/research-publications/the_economic_impact_of_digital_skills_and_inclusion_in_the_uk_final_v2.pdf pages 5 and 6.

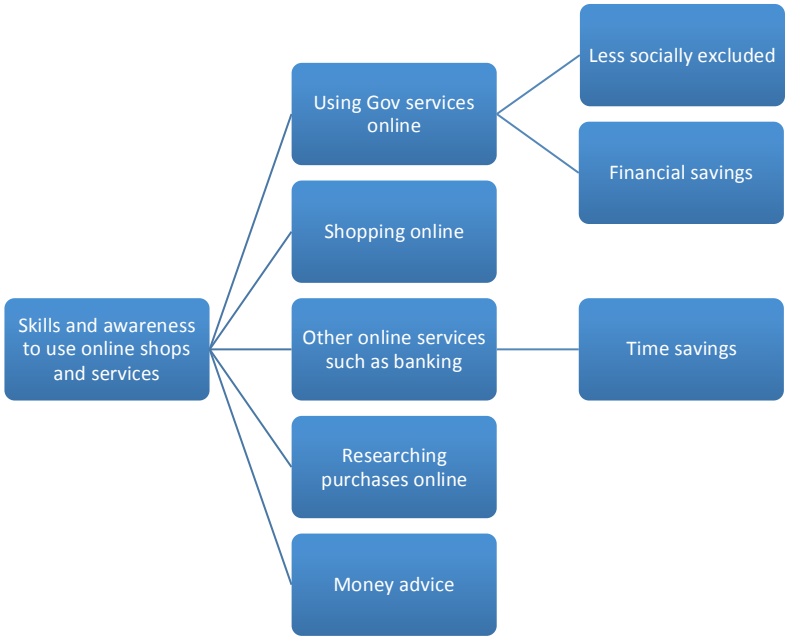

Figure 6. Theory of Change: Economic outcomes

Benefits to Small, and Medium Sized Enterprises

A recent report by the International Trade Centre has found that the primary reason why SMEs underperform internationally is because they make too little use of the internet (ITC, 2015). Certainly stakeholder engagement findings in this instance concur with this finding. The SME owners we spoke to sought help from their local UK online centre because they felt their business did not have enough of an online presence. Our research found that there are two avenues through which benefits accrue to SMEs: first, they are able to access new customers or retain customers through having an online presence; second, they are able to save time and money by doing things online such as buying and selling, or using online services such as HMRC self-assessment (see Figure 7).

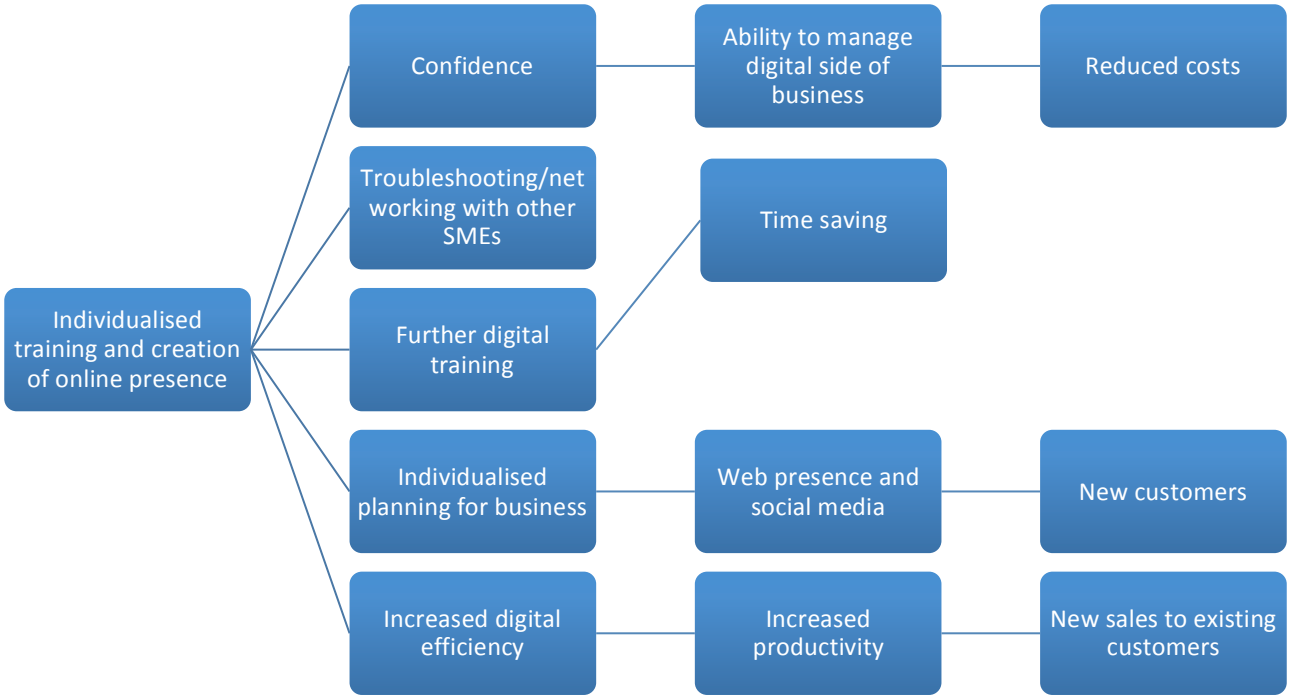

Figure 7. Theory of Change: Business Outcomes

3.4 How the State benefits

Data to evidence outcomes for the government are included in the Learn My Way dataset and in addition, some of the outcomes for individuals implied a corollary outcome for the government. For example, if someone gets a job that is at least in part attributable to the programme, then the government receives some benefit for that.

In the Learn My Way learner survey, learners answer a series of questions about the number of transactions that they avoided in the last month for different kinds of services. **The main area of benefit relates to around a third of learners moving from using face-to-face, postal or telephone government services to online services, which represents a saving of approximately £4.5 million, or a return on investment of 1:1.5** (See Figure 8).

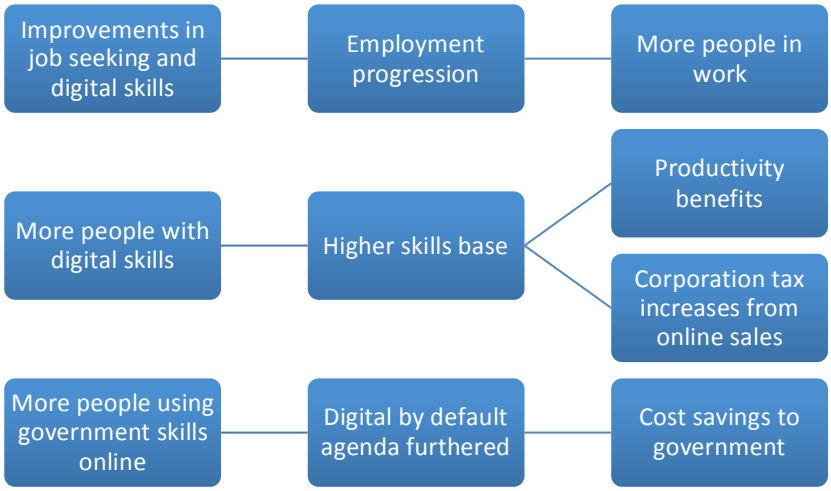

Figure 8. Theory of change: The Government

4.0 FINDINGS

This section presents the findings from the modelling exercise. A detailed account of how the model was built can be found in Appendix 4. This section includes the SROI ratio, a description of how value breaks down across the groups as well as the results of sensitivity analysis.

4.1 SROI Ratio

The SROI analysis shows that the FDI programme is expected to produce a substantial amount of positive social value for digitally excluded people and wider society. **Based on data from 2014/15, we forecast that in the present value[6] of the social benefit created by the project will be over £15 million for an investment of £3.5 million.** This translates into a ratio of 5:1, or for every £1 invested in the programme £5 of social value is generated to stakeholders. The present value of the benefits to the State is £4.6 million, also suggesting positive return (1.5:1) equating to a positive return of 1.5 for every £1 invested. The analysis only includes learners that registered on Learn My Way, as data were not available on outcomes for other learners and as a result may underestimate the benefit. We have modelled extending the benefit to all learners in sensitivity analysis.

The service is highly valued by learners. Volunteers are also an important beneficiary, although they have not been included due to a lack of data. The numbers moving into employment may be low, but there are high levels of progression against job-related outcomes and learners perceive their job prospects to have improved. In addition, learners are typically quite far removed from the labour market and require long-term and intensive support. There are more benefits to people with disabilities, mental health or learning difficulties, mainly from an increased independence outcome. However, the differences in outcomes between the three target groups are low; there are similar outcomes and similar perceptions of attribution, motivation to go online etc.

4.2 Share of Value

This section describes how value breaks down across stakeholder groups. Figure 9 sets out the share of value across all stakeholder groups and clearly illustrates that the large majority of value – 88% – flows to learners.

[6] The Treasury recommended discount rate of 3.5% was used.

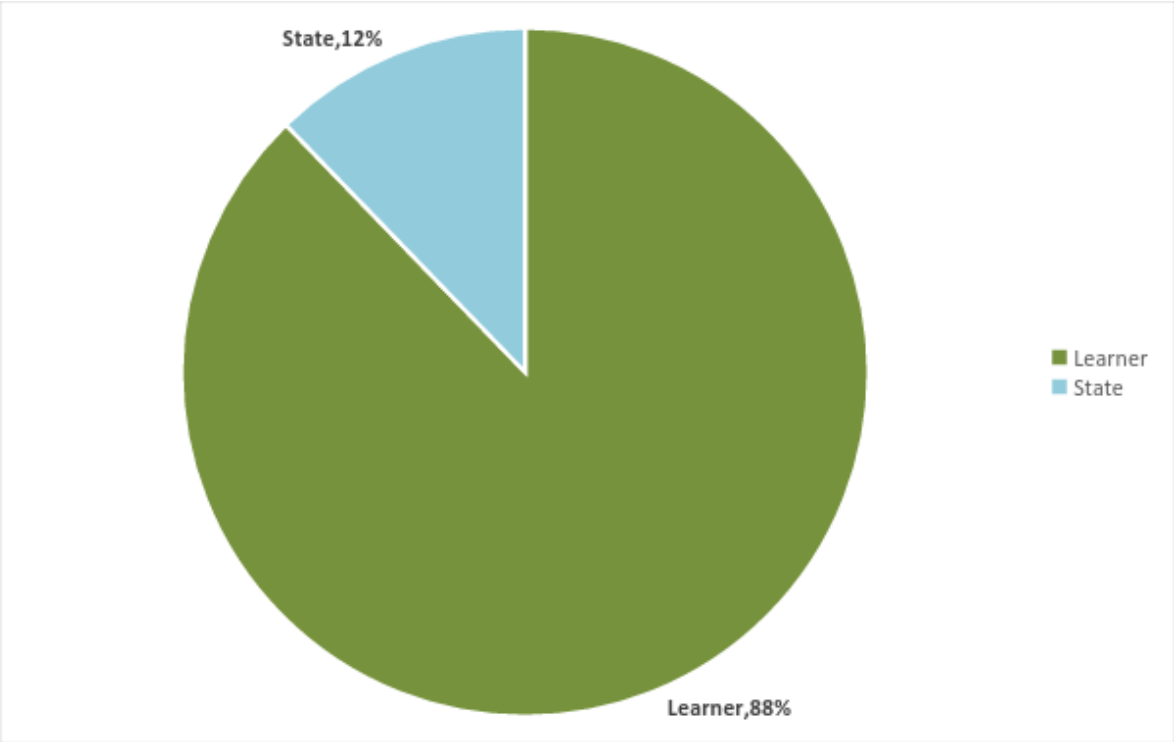

Figure 9. Share of value: All stakeholders

When we break learners down by sub-stakeholder, people with disabilities, mental health or learning difficulties benefit most, including when calculated on a per learner basis (see Figure 10). Half of the benefit is to people with disabilities, mental health or learning difficulties, followed by SMEs (25%). These findings, however, mask the fact that there are more people with disabilities, mental health or learning difficulties in the sample.

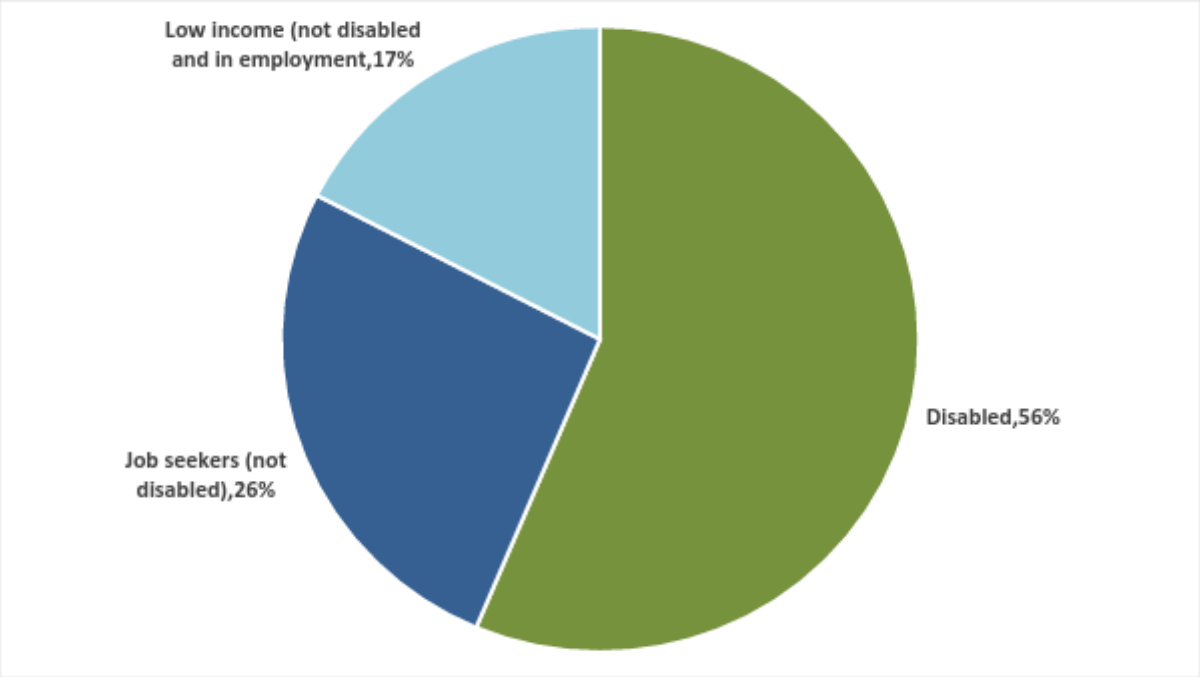

Figure 10: Share of value: Learners

When calculated on a per learner basis, we find that people with disabilities, mental health or learning difficulties still benefit most at 56% with the rest split fairly evenly between low income and unemployed people. This reflects slightly more positive outcomes for people with disabilities, mental health or learning difficulties and the inclusion of additional outcomes such as independence. The data also suggest lower drop off for this group.

Finally we calculated the share of value across outcomes (Figure 11). Our data show that across the whole sample of learners, the largest area of benefit is health and wellbeing. This makes sense as all users derive wellbeing benefits, whereas progression and economic outcomes are less widespread. However, it also partly reflects data quality i.e. that we have better data on some outcomes than others.

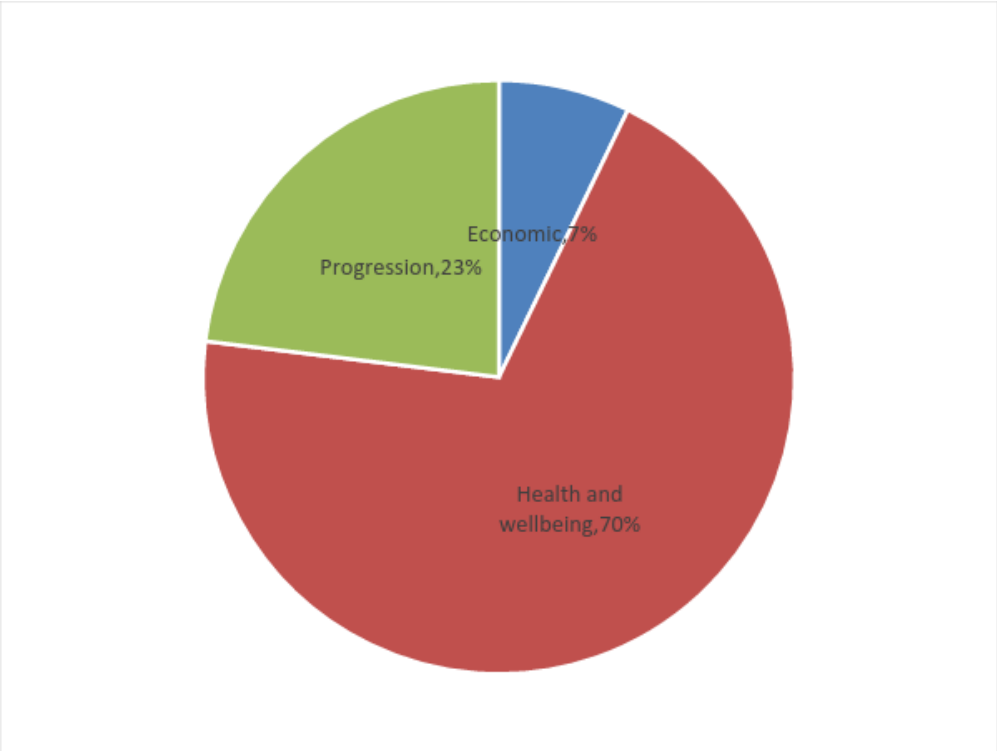

Figure 11: Share of value: All outcomes

4.3 Sensitivity Analysis

This step in the SROI methodology systematically varies assumptions in order to test for areas of sensitivity in the model. These are assumptions that, when changed, significantly affect the ratio.

The model was largely resistant to change in any one assumption. This suggests that the model is relatively stable. Systematically varying individual proxies for example did not generally make a substantial difference. Table 4 presents the most noteworthy findings from sensitivity analysis. The most notable finding relates to assumptions around attribution, which are discussed at length in the report. This is based on a base case ratio of 5.

Appendix 1 contains further results from sensitivity testing.

Variable	Revised ratio	Comment
Increase attribution to 75%	11.22	This estimate came from stakeholder interviews. However, it is very high and the lower rate used is the rate derived from the quantitative data.
Reduce FDI attribution to 25%	3.00	This is the lowest possible estimate

		for FDI attribution. The ratio remains positive even at this level.
Increase the benefit period to 3 years	7.44	This has a reasonably large impact on the ratio (change of 22%). Evidence for longitudinal outcomes could result in an increased ratio.
Remove all SME outcomes	4.47	The data on SMEs is weak and largely drawn from estimates and secondary data. Results in a large drop in the ratio emphasising the importance of collecting these data.
Remove all non-economic outcomes	3.73	Although a big impact on the ratio, still suggests positive return.

Table 4: Sensitivity analysis

5.0 RECOMMENDATIONS AND CONCLUSIONS

5.1 Programme Improvement

Findings from the stakeholder engagement phase showed that UK online centres and Learn My Way are highly valued by learners for the opportunity they provide to develop computer skills and socialise with others (See Box 4). There are a number of ways these strengths can be built upon, in summary:

- It was felt that there should be more UK online centres, particularly since government policy is to move more services online
- Stakeholders stated an interest in having access to more advanced courses in digital skills once they have mastered the Learn My Way modules
- Jobseekers requested more courses that were more focused on work-specific digital skills
- People with disabilities, mental health or learning difficulties would benefit from access to disability specific software
- There is a need for targeted funding for more equipment and updated equipment, particularly for outreach work
- Some centres require better broadband connections and targeted funding would be useful in this regard
- Some centres would benefit from more advice about different streams of funding that they may be eligible for.

Learners with disabilities, mental health or learning difficulties have a very clear social benefit derived from their attendance at the UK online centre. There was wide satisfaction among this group with the reduction in marginalisation as a result of attending. There was evidence that learners with disabilities, mental health or learning difficulties who went on to become volunteers gained a significant benefit from moving

into unpaid employment, again augmenting the positive effects of increased self-esteem, and feeling of contributing to society.

In future versions of Learn My Way we recommend that modules should be linked directly to indicators of change and value creation for learners. Qualitative data suggests that SMEs are an important beneficiary. There is scope, therefore for addressing the reach and offer to SMEs to increase the social value. This is particularly pertinent for FDI funding.

5.2 Measurement Recommendations

As the existing data collection mechanisms were not designed with an SROI analysis in mind, there were a number of data limitations that meant the current analysis relied on some imputed values. This means that in some areas, such as benefits to SMEs, we can be less confident about our findings regarding the effectiveness of the courses and their value for money. As well as providing a more robust evidence base to support future SROI evaluations, better data should help to maximise social value by diverting effort and resources towards the areas where they can create the most benefit. For this reason, we make a number of recommendations to build on existing data collection in the future.

Health is emerging as a potentially major benefit from digital inclusion. There is a lack of evidence in relation to the benefits (and possible disadvantages) from managing health online in terms of lifestyle change, impact on health outcomes and use of health services. Although we know that people are using fewer health services as a result of finding information online, we know little about longer-term impacts. Better outcomes data would not only help evidence long-term health impacts, but also contribute to the evidence base of the wider benefits of going online. One approach might be to consider using some questions from the General Health Questionnaire (GHQ) to capture actual changes in health as well as changes in behaviour likely to result in health benefits.

The inclusion of questions about the mental health benefits of being online is a largely unexplored area. 14% of learners report having a mental health problem, but we know little about the impact that going online has on this. A related point is that wellbeing has emerged as a major area of benefit. However, one of the reasons for this probably relates to the way in which wellbeing questions are asked e.g. 'has your confidence improved since you came on the course?'. This is not a very robust measure of confidence. An improvement would be to use validated confidence scales or questions from the General Health Questionnaire that relate to mental wellbeing. There is also a whole area of benefit relating to relationships, which are not currently being measured.

There are a number of other areas where questions could be improved in the progression questionnaire. This mainly involves moving towards asking people to report on more objective questions i.e. asking for more specifics that would enable more robust quantification of value. We give some examples here but a thorough review of the questions should be carried out to see how they can be 'fitted' with the requirements of this kind of evaluation.

- How are people saving money online and how much?
- What kinds of job search activities are people engaged in?
- What kinds of housing issues have been resolved and how often?

- How often do people use electronic communication to stay in touch with friends or family? This includes changes in quality of relationships and savings from using free services.
- Better data on counterfactuals. What would people have done if they had not come on this course?
- Impact of hobbies and pastimes on people's wellbeing.
- Data on SMEs particularly related to savings on marketing, increases in sales, time savings and ecommerce.

Difficulties with attribution

Data obtained from our learner interviews, although revealing the positive contribution of UK online centre and Learn My Way learning platform, were not conclusive in terms of attributing impact to one or the other. Most interviewees said they would ascribe 75% of the benefits they reported to their involvement with the centre. Other locations , such as libraries were not suited to their needs. On the other hand, most people also reported getting help from family, friends or support workers. 26% of respondents said that their outcome was directly as a result of Learn My Way, but we have assumed that other factors, such as the help of family, friends and volunteers plays a part in their achievements - accounting for as much as 74% of learner benefit.

A second issue with attribution relates to attribution to the Future Digital Inclusion (FDI) programme, funded by the Department of Business, Innovation and Skills. Centres receive basic funding of £25 per learner, with a top-up to £75 for learners who require more intensive support (e.g. disabled people). Centre managers were very clear that this was insufficient to cover the costs of their delivering digital inclusion with some estimating that the full cost was up to £300 per head, which is four times the higher FDI funding level. Ascribing benefit in this context is not an exact science. However, the median full cost that Centre Managers told us in interview was twice that of the FDI grant, this gives us a figure of 50% attributable to FDI.

CASE STUDIES

A learner with a disability

Jordan (28) has a physical disability which limits his mobility. He left school at 16 and has been in and out of casual employment since then with long periods of unemployment. He was referred to a UK online centre from his local Jobcentre. Whilst he had some basic digital skills, he did not have a computer himself and was not confident about using one.

He attended classes two or three times a week and successfully completed all of the modules on Learn My Way. This gave Jordan a lot of confidence and was the first positive learning experience he had had in years.

"Coming in every week fills me with confidence. Being disabled you get isolated, it makes you depressed, here I feel valued and involved".

He was encouraged to become a volunteer in the centre and he completed the Digital Champions training developed by Tinder Foundation. He now volunteers a few times a week and reports considerable benefits from doing so:

"I like the skills I learn, I like teaching, and my communication skills have improved."

Jordan has also benefited by making new friends. As an unemployed disabled person he often felt socially isolated. He told us that he thinks disabled people are marginalised in society and that his centre provides a valuable service by giving people a social and networking outlet. As well as improving his quality of life and relationships Jordan feels much greater independence from not having to rely on others for help.

"People with disabilities are not really as equally employable. If you are long term out of work it is much more difficult, it affects your mental health…I wish the government was more aware of this. Places like this [UK online centre] provide a support network."

Jordan is much more optimistic about his future. He is interested in pursuing a career in some kind of teaching or IT but is happy with his work at the moment and the enjoyment and confidence he is getting from it.

A SME business owner

Jane (45) is a small business owner. She contacted her local UK online centre for help with getting her business an online presence. She did not know where to begin and could not afford to pay for the services of a web designer:

"I was engaged with the local authority enterprise team, but I needed more information about how to get a website put together; my understanding of the internet was poor."

Since attending the centre she has started building her own website and is very happy to learn things as she needs them. She had initially felt very daunted by the prospect of putting a website together but now she has developed the confidence to manage it on her own. She has also identified areas for future skills development:

"I'm interested in doing automated emails, and an online calendar; I would [also] like a better system for [online] payments."

Another benefit to Jane's business is the opportunity to promote her business. She had written about her products in the past for offline media but very few people were aware of this. She has now started blogging and using social media and finds that it increases

her visibility online. She has been able to publicise her work and has received national peer attention through her website. She now has the skills to engage effectively in self-publicity and is observing an increase in customers.

"It has put me on the map; I can now stand on equal footing with competitors as a result of getting that presence online."

Finally, she has benefited from networking opportunities. She has met up with other business owners at the centre who live in the same area and who are in similar situations to herself or a little further along. She finds the support and advice she gets from these people invaluable. She has found that she is more motivated than ever before as a result of the help she has received. She is engaging in medium and long-term planning and is confident about the survival of her business into the future.

"It is really good to have mentoring support, especially in terms of pacing; I can see the huge potential, whereas before I felt so overwhelmed that I could not plan ahead"

A long-term unemployed learner

Arthur (51) is unemployed. He previously worked in a factory but has struggled to find work relevant to his skills since it shut down two years ago. Arthur was referred by the Jobcentre to his local UK online centre. He had no digital skills before he came on the course. He was very uncomfortable about learning computers and didn't see them as 'for him'.

The biggest benefit for him of attending the centre has been for his mental health and wellbeing. His confidence had been eroded by many unsuccessful job applications. He had lost hope of ever finding a job, especially given his age.

"It makes me feel good; getting out of house, it's good for my mind – meeting people, having the chat, the cup of tea, everyone is very welcoming."

He did not have a positive opinion of his local Jobcentre, describing it as 'very depersonalised'. He found the UK online centre to be much more welcoming and genuinely interested in helping him.

Arthur has completed the Learn My Way modules and is now taking a digital photography course, and continues to use his digital skills to look for and apply for jobs. He has more hope now than before of securing employment and continues to get enjoyment and satisfaction from coming to the centre twice a week. He would love to get a job that uses his new skills and is confident that he will with the help of his centre.

5.3 Concluding Remarks

The social return on investment of the digital inclusion intervention provided by the UK online centres (and underpinned by Tinder Foundation's Learn My Way online training resource) is positive for all stakeholders. The present value of the benefits generated far exceeds the cost of the FDI investment. The biggest beneficiaries are people with disabilities, mental health or learning difficulties, followed by SMEs, other learners and the government.

Part of what we have been evaluating is the community development approach to tackling digital exclusion. We have found this to be effective, valued by users and good value for money.

The findings are also an endorsement of the Learn My Way training programme, which is core to the delivery of the digital exclusion work and which is highly valued by the centres. The report suggests ways in which Learn My Way and the programme as a whole can be developed to maximise value and ensure that it continues to deliver strong social returns.

References

Attewell, Paul. 2001. "The First and Second Digital Divides." Sociology of Education, Vol. 74, No. 3. Graduate Centre, City University of New York.

Bessell, Tracey L., Steve McDonald, Chris A. Silagy, Jeremy N. Anderson, Janet E. Hiller, and Lloyd N. Sansom. 2002. "Do Internet Interventions for Consumers Cause More Harm Than Good? A Systematic Review." *Health Expectations* 5 (1): 28–37.

Brynjolfsson, Erik, Yu (Jeffrey) Hu, and Michael D. Smith. 2003. "Consumer Surplus in the Digital Economy: Estimating the Value of Increased Product Variety at Online Booksellers." *Management Science* 49 (11): 1580–96. doi:10.1287/mnsc.49.11.1580.20580.

Capgemini Consulting. 2012. "Evaluating the Work of the UK Digital Champion and Race Online 2012." http://ukdigitalchampionmodel.com/wp-content/uploads/2012/04/Evaluation-of-UK-Digital-Champion-and-Race-Online-2012-vFINAL.pdf.

Chen, Wenhong, and Barry Wellman. 2004. "The Global Digital Divide–within and Between Countries." *It & Society* 1 (7): 39–45.

Colecchia, Alessandra, and Paul Schreyer. 2002. "ICT Investment and Economic Growth in the 1990s: Is the United States a Unique Case?: A Comparative Study of Nine OECD Countries." *Review of Economic Dynamics* 5 (2): 408–42. doi:10.1006/redy.2002.0170.

Cotten, Shelia R., George Ford, Sherry Ford, and Timothy M. Hale. 2012. "Internet Use and Depression Among Older Adults." *Computers in Human Behavior* 28 (2): 496–99.

DiMaggio, Paul, Eszter Hargittai, Coral Celeste, and Steven Shafer. 2004. "Digital Inequality: From Unequal Access to Differentiated Use." *Social Inequality*, 355–400.

Dutton, William, and Grant Blank. 2011. "Next Generation Users: The Internet in Britain." http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1960655.

Dutton, William, and Ellen Helsper. 2007. "Internet in Britain: 2007." http://eprints.lse.ac.uk/26947/.

Foley, Paul. 2004. "Does the Internet Help to Overcome Social Exclusion." *Electronic Journal of E-government* 2 (2): 139–46.

Fresh Minds, Fresh Minds. 2007. "Digital Inclusion. A Discussion of the Evidence Base". Prepared for UK online centres. FreshMinds.

Fujiwara, D. 2010. *The Department for Work and Pensions Social Cost-Benefit Analysis framework*. Department for Work and Pensions. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214384/WP86.pdf

Green, Anne E., and Great Britain. 2011. *Job Search Study: Literature Review and Anlaysis of the Labour Force Survey*. Department for Work and Pensions. http://statistics.dwp.gov.uk/asd/asd5/rports2011-2012/rrep726.pdf.

Greenberg, Speckesser, Knight, and Hevenstone. 2011. "Improving DWP Assessment of the Relative Costs and Benefits of Employment Programmes Working Paper 100". Department for Work and Pensions.

Gregory, Mary, and Robert Jukes. 2001. "Unemployment and Subsequent Earnings: Estimating Scarring Among British Men 1984–94." *The Economic Journal* 111 (475): 607–25. doi:10.1111/1468-0297.00665.

Gurstein, Michael. 2003. "Effective Use: A Community Informatics Strategy Beyond the Digital Divide." *First Monday* 8 (12): 1–18.

Helsper, E. 2011. "Policy Brief: Emergence of a Digital Underclass." *Scribd*. http://www.scribd.com/doc/60556197/Policy-Brief-Emergence-of-a-Digital-Underclass.

Hüsing, Tobias, and Hannes Selhofer. 2002. "The Digital Divide Index-a Measure of Social Inequalities in the Adoption of ICT." *The Proceedings of ECIS*. http://www.ifiptc8.org/asp/aspecis/20020042.pdf.

Loader, Brian D., and Leigh Keeble. 2004. "Challenging the Digital Divide? A Literature Review of Community Informatics Initiatives". Joseph Rowntree Foundation.

Longley, P. A., and A. D. Singleton. 2009. "Linking Social Deprivation and Digital Exclusion in England." *Urban Studies* 46 (7): 1275–98.

Nicholls, J., E. Lawlor, E. Neitzert, and T. Goodspeed. 2009. "A Guide to Social Return on Investment." *Cabinet Office, London Http://www. Thesroinetwork. Org/publications/cat_view/29-the-sroi-guide-2009*.

Oulton, Nicholas. 2002. "ICT and Productivity Growth in the United Kingdom." *Oxford Review of Economic Policy* 18 (3): 363–79. doi:10.1093/oxrep/18.3.363.

Pilat, Dirk. 2004. "The ICT Productivity Paradox: Insights from Micro Data." *OECD Economic Studies* 38 (1): 37–65.

Pilat, Dirk, and Frank C. Lee. 2001. "Productivity Growth in ICT-producing and ICT-using Industries: A Source of Growth Differentials in the OECD?" OECD Publishing. http://ideas.repec.org/p/oec/stiaaa/2001-4-en.html.

PriceWaterhouseCoopers LLP. 2009. "Champion for Digital Inclusion. The Economic Case for Digital Inclusion". Race Online 2012. PriceWaterhouseCoopers LLP.

Seale, Jane. 2009. "Digital Inclusion". A Research Briefing by the Technology Enhance Learning Phase of the Teaching and Learning Research Programme. University of Southampton.

Selwyn, Neil. 2003. "Apart from Technology: Understanding People's Non-use of Information and Communication Technologies in Everyday Life." *Technology in Society* 25 (1): 99–116. doi:10.1016/S0160-791X(02)00062-3.

Selwyn, Neil, and Keri Facer. 2007. "Beyond the Digital Divide." http://archive.futurelab.org.uk/resources/documents/opening_education/Digital_Divide.pdf.

Shapira, N., A. Barak, and I. Gal. 2007. "Promoting Older Adults' wellbeing Through Internet Training and Use." http://www.tandfonline.com/doi/abs/10.1080/13607860601086546.

SQW Consulting. 2013. "The UK Broadband Impact Study."

Stroetmann, K, T Jones, A Dobrev, and V Stroetmann. 2006. "e-Health Is Worth It". European Commission.

The Charted Institute of Taxation, Low Incomes Tax Reform Group. 2012. “Digital Exclusion”. The Charted Institute of Taxation.

Turcotte, Julie, and L. Whewell Rennison. 2004. *Productivity and Wages: Measuring the Effect of Human Capital and Technology Use from Linked Employer-employee Data*. Department of Finance. http://www.fin.gc.ca/pub/pdfs/wp2004-01e.pdf.

UK online centres. 2008. “Economic Benefits of Digital Inclusion: Building the Evidence”. UK online centres.

Vakhitova, Ganna, and Christopher R. Bollinger. 2011. “Labor Market Return to Computer Skills: Using Microsoft Certification to Measure Computer Skills.” *Kyiv School of Economics Discussion Papers*. http://gatton.uky.edu/faculty/bollinger/Workingpapers/MSwagepaper11_06.pdf.

Van Dijk, Jan AGM. 2005. *The Deepening Divide: Inequality in the Information Society*. SAGE Publications, Incorporated.

Warren, M. 2007. “The Digital Vicious Cycle: Links Between Social Disadvantage and Digital Exclusion in Rural Areas.” *Telecommunications Policy* 31 (6): 374–88.

Warschauer, Mark. 2004. *Technology and Social Inclusion: Rethinking the Digital Divide*. MIT press. http://books.google.co.uk/books?hl=en&lr=&id=nU4zz1O88mAC&oi=fnd&pg=PR9&dq=social+value+of+digital+inclusion&ots=rTYr-Yp61v&sig=cdXU4o7vhfau_ND1aqsAp927OWM.

White, Patrick, and Neil Selwyn. 2013. “Moving on-Line? an Analysis of Patterns of Adult Internet Use in the Uk, 2002–2010.” *Information, Communication & Society* 16 (1): 1–27. doi:10.1080/1369118X.2011.611816.

Wilson, Kenneth R., Jennifer S. Wallin, and Christa Reiser. 2003. “Social Stratification and the Digital Divide.” *Social Science Computer Review* 21 (2): 133–43.

APPENDIX 1: SENSITIVITY ANALYSIS

SENSITIVITY ANALYSIS

Base case ratio	5.02

Change	Increase attribution to 75%		**Change**	End benefit after 1 year for all outcomes
New Ratio	9.62		**New Ratio**	3.66
% Change	0.92		**% Change**	-0.27
Change	Remove outcomes for SMEs		**Change**	Increase FDI attribution to 60%
New Ratio	3.83		**New Ratio**	6.20
% Change	-0.24		**% Change**	0.24
Change	Reduce FDI attribution to 25%		**Change**	Extend benefit to all 258,000 learners
New Ratio	2.57		**New Ratio**	7.03
% Change	-0.49		**% Change**	0.40
Change	Increase all proxies by 10%		**Change**	Decrease all proxies by 10%
New Ratio	5.69		**New Ratio**	4.65
% Change	0.13		**% Change**	-0.07
Change	Remove all non-economic outcomes		**Change**	Remove all economic outcomes
New Ratio	3.20		**New Ratio**	2.03
% Change	-0.36		**% Change**	-0.60

Appendix 2: Interview Guides

Beneficiaries Focus Group Schedule

Background

1) When did you first start coming to XX?
2) How did you hear about XX?
3) Why were you motivated to come along?

Activities

4) What activities do you participate in? What help have you received?
   Notes: Probe: Both formal (e.g. Learn My Way platform courses) and any informal help (e.g. 1:1 support); Try to get a sense of the balance between digital and non-digital help

   This question is very open-ended because, as you know, our first forays into the stakeholder engagement the activities are likely to be very diverse. Try to get as rich as a description as possible.

Changes

5) What has changed for you as a result of coming here?
   a. Short-term (first 3 months)
   b. Medium-term (3-6 months)
   c. Longer-term (6 months +)

   Notes: Again, probe both digital and non-digital outcomes. Also probe what the enablers of success may have been (e.g. was there something different/special about this provider that made change possible)

6) Were there any downsides to becoming involved? Have you experienced any negative changes?

Recommendations

7) Is there anything you would change about the way the services/activities are offered?

Centre Managers Interview Schedule

Background on the Centre

1) How long have you been operating? As an entity and as a UK online centre.
2) Were you always a UK online centre, or did you start of as something else?

Stakeholders and Activities

3) Who uses your Centre/service or participates in the activities you run?

4) How do you get people involved in your activities? (i.e. this is really a question about how they engage people in the first place → you may want to probe about any outreach activities)

5) What activities do you run? (These could be based at the Centre or may be done off-site as part of outreach)

Outcomes

6) What changes do you observe in those who participate in your activities?

    a. Short-term (within first 3 months)

    b. Medium-term (3-6 months)

    c. Longer-term (6 months +)

    (Make it clear that it is not just about digital outcomes, but any changes they see)

7) Have you noticed any negative changes?

8) If describing significant positive changes, ask: Why do you think you are able to be so successful? What makes you different/sets you apart from other providers working with socially excluded?

Funding

9) Do you receive the BIS funding? At what level (I.e. £20/head, £75/head)? Or

10) Can you tell me how much funding you receive through Tinder Foundation/FDI ?

11) Can you tell me what percentage of your overall funding is this> And what is your annual funding income?

    a. Do you find this is enough to cover your work, or do you supplement with other sources of funding?

    b. If other sources, from where?

12) What role do volunteers play in delivery of your service?

13) Any other in-kind (i.e. unpaid) resources that you use to deliver your services?

Anything further

14) Do you have anything else to add – either about the experience of your Centre, or perhaps things that would help you be more successful or you'd like to change?

APPENDIX 3: TECHNICAL APPENDIX

Once data on effectiveness has been gathered it is possible to construct the economic model. Most of this data came from the Learn My Way survey with data gaps plugged with secondary data. Table 1 summarises the outcomes incidence that were included for each stakeholder.

Outcome domain	Outcome	Incidence (disabled)	Incidence (unemployed	Incidence (low income)
Progression	Full or part-time job	2875	3436	1472
	Improved job prospects	12912	10450	5323
	Training	1725	1652	356
	Improvement at work	16100	0	0
Health	Avoided visit to GP, A&E or walk in clinic	57501	9253	4705
	More informed	2300	2461	956
Economic	Phone call/visit to at least one service avoided	26450	12161	4705
	Retain benefits	6900	3172	1472
	Save money through shopping or online services	27169	11698	5707
Wellbeing	Improved self-confidence	27692	12880	6186
	Independence	45426	0	0
	Hobbies and interests	13489	6080	3500

Table 1: Outcomes taken forward in the SROI (numbers of beneficiaries for each outcome)

The SROI model is an Excel-based set of calculations that compares the value of the outcomes to the costs of running the programme. This section describes the adjustments that were made for additionality, the values that were used, the inputs and the assumptions used to predict benefit period and drop off.

1. Additionality

Additionality measures the net result of an activity or intervention, or the impact that a project has compared to doing nothing. At this stage of the SROI analysis, adjustments are made for three factors that attempt to isolate the net result: deadweight, attribution and displacement.

Deadweight is the most important of these three concepts. It attempts to measure 'natural change' or the extent to which the outcomes would have happened anyway. For example, an important consideration in this analysis is whether the learners that went online regularly after taking the course would have done so anyway through some other means e.g. with help from friends or family.

Attribution is an estimation of the proportion of the outcome that is attributable to the courses. For example, some clients who report experiencing a positive outcome may have achieved this through some other means unrelated to the course, in which case the benefits would not be entirely attributable to the intervention.

A displacement/substitution effect is the least important of the three and only relates to employment outcomes. Guidance on substitution from the Department for Work and Pensions suggests that it should only be included in sensitivity analysis (Fujiwara, 2010). Estimates on the rate vary; we have based on ours on Greenberg et al., which estimates that in a slack labour market it may be as high as 20% (Greenberg et al. 2011).

Once these adjustments have been made, only net outcomes remain, and it is these to which values are ascribed. The net outcomes represent the outcomes attributable to the centres, above and beyond what would have happened anyway. Data gathered through Learn My Way was useful for making additionality assumptions. Where we encountered gaps secondary data were used. Table 5 explains what assumptions were used.

Stakeholder	Outcome	Deadweight	%	Attribution
Disabled people/ Unemployed /low income	Full or part-time job	Unemployment off-flow (claiming over 6 months) (NOMIS, 2014)	22	Proportion that consider benefits to be directly attributable to the course (Learn My Way, 2014/15)
	Improved job prospects	As for employment	22	
	Further training	The proportion of disabled people that are in further education (Fuller and Davey, 2010) The proportion of unemployed/low income that are in further education (Fuller and Davy, 2010)	10	
			?	
	Improvements at work	Proportion of employers that provide in-work training (Winterbotham et al.)	.86	
	More informed about health	Proportion that get friends or family to look up information for them (NAO, 2013)	.48	
	Health visits avoided	N/A	0	
	Calls/visits to services avoided	N/A	0	
	Retain benefits	Not in receipt of some kind of income support (Learn My Way 2014/15)	36	
	Economic savings	As for confidence	26	
	Save money online	Proportion that receive help from friends and family with online purchases (NAO, 2013)	48	
	Confidence	Confidence increased due to other factors (not available)	48	

	Independence (disability only)	Disability limits ability to carry out daily activities	26	
	Hobbies	Proportion that receive help from friends and family with online purchases (NAO, 2013)	48	

Table 2: Deadweight and Attribution

Another consideration in relation to attribution, relates to the contribution of other factors to the outcomes other than the FDI funding. A strong finding from the qualitative research was the funding did not cover the full costs of delivering the service to the learner. Centres receive basic funding of £25 per learner, with a top-up to £75 for learners who require more intensive support (e.g. those with disabilities or learning difficulties). Centre managers were very clear that this was insufficient to cover the costs of their delivering digital inclusion with some estimating that the full cost was up to £300 per head, which is four times the higher FDI funding level. From an accounting perspective, we would be over-claiming for the FDI funding if we did not adjust for this. We have estimated that the FDI funding delivers 50% of the total benefit of the programme (see Figure 1). This assumption is tested in sensitivity analysis.

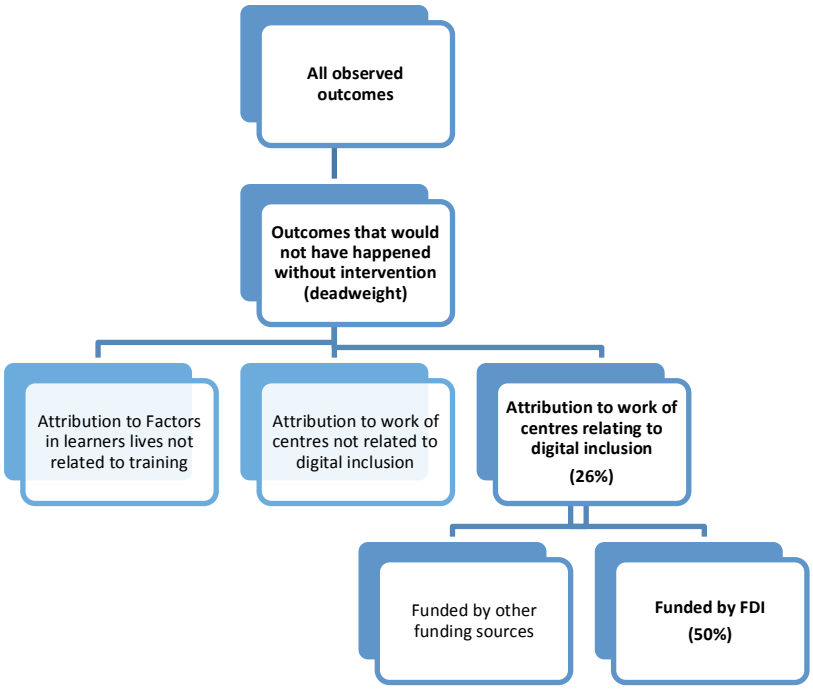

Figure 1: Attribution and deadweight hierarchy

A final consideration relates to outcomes that are potentially being achieved through other means, rather than digital skills training. In practice the centres don't distinguish between digital and social exclusion and the issues of causality are not relevant to their day-to-day working, but this does matter from a research perspective and for the attribution of benefits in particular. However, the range of outcomes measured is quite narrowly related to documented benefits of going online. In addition, conservative

assumptions have already been made in relation to attribution to the course e.g. by excluding benefits to those that only considered the course to have been of some benefit. In light of this, a judgement was made not to lower the attribution any further.

For SMEs, we assumed no deadweight to the SMEs themselves as we did not have any data on which to base assumptions. We assumed the same attribution as for the other outcomes as we had no reason to vary this. For the State we used the same assumptions.

2. Valuation

A central component of SROI is the inclusion of both traded and non-traded outcomes in the analysis. A key feature of SROI analysis is that it aims to measure value rather than cost, and where necessary, i.e. for those outcomes that do not already have a financial value, employs financial proxies to do so. This corrects for prices that potentially convey a perverse measure of value. For example, all of the courses are aimed at learners that live in low-income neighbourhoods. If we valued internet access based on who pays for courses, we would find that people on a lower income value the internet less, but it may actually be because they are less able to afford the courses, and so who pays for courses is not a good measure of how much people value them. In many instances, we have based calculations on average or median incomes, rather than the lowest quintile, to take account of this.

A further issue that requires some discussion relates to the marginal costs of government services. It could be argued that the value of getting an additional person to use government services is quite small as it is not going to impact on the overall costs of delivering service. However, given the importance of the 'digital by default' agenda, plus the lack of data on marginal costs, we have used the government unit cost estimates.

A description of the financial values used is set out in Table 3. All figures were updated to 2014/15 prices using a GDP deflator.

Stakeholder	Outcome	Financial proxy	Value	Source
Disabled people/ Unemployed /low income	Full or part-time job	Based on 40% of full and part-time salary (assume 50% part-time). Proportion based on the contribution of employment to wellbeing to avoid double counting	£3,679	McQuaid et al. 2014
	Improved job prospects	Cost of buying professional CV and job application services online	£165	www.purplecv.co.uk/cv-writing.html
	Further training	Contingent valuation of the benefit of a course that leads to a qualification.	£1070	Dolan and Fujiwara (2012)
	Improvements at work	Wage penalty (-.18) multiplied by employment proxy (£3679)	£622	OECD, 2015

	More informed about health	Revealed preference of the amount spent on diet and exercise (JE calculation using data from the Food and Drink Federation)	£31	Food and Drink Federation, 2010 (Value of UK Manufacturing)
	Health visits avoided	Estimate of the cost of offline transactions (Government Digital Services)	£14.70	GDS (2012) Digital efficiency Report
	Calls/visits to services avoided	Estimate that similar to cost of health service visits avoided	£14.70	GDS (2012) Digital Efficiency Report
	Retain benefits	One week sanction of JSA	£73.10	https://www.gov.uk/jobseekers-allowance/what-youll-get
	Economic savings	Saving money through shopping online adjusted for low income (60% of the median – 6% consumer surplus)	£132.47	Booz and Company, 2012
	Confidence	Value of confidence from taking part in adult education (Life Satisfaction Method)	£707	Dolan and Fujiwara, 2012
	Independence (disability only)	One hour per week of home care (£12.98 per hour)	£674.96	UK Home Care Association
	Hobbies	Value of time spent pursuing hobbies (13 minutes per day pursuing leisure activities @ minimum wage	£532	Wallsten, (2013) NBER

Table 3: Valuation

A separate set of calculations were carried out for SMEs, which are detailed in Table 4.

Variable	Estimate	Source
Annual turnover of micro-enterprises (0-9)	£673 billion	House of Commons report (2015)
Number of businesses	5,146,000	House of Commons report (2015)
Average turnover	£130,781	JE calculation based on the above
5% increase in sales	£6,539	JE estimate

Average spend on marketing (SMEs)	£24,000	Business Matters (2013) http://www.bmmagazine.co.uk/marketing/marketing-costs-for-smes-nearly-reach-24000-a-year/
10% of marketing budget	£2,400	JE estimate
Time savings online	2 hours per week (£1413) based on average UK salary	JE estimate
Corporation tax	15% of the value of sales	Estimate of effective corporation tax rate.

Table 4: Valuation: SMEs

3. Benefit Period and Drop Off

The next step in the analysis is to project value into the future to account for the duration of outcomes. To avoid over claiming we have only projected outcomes for between six months and two years. It is possible that for some outcomes the benefit period may be longer where people carry on being regular users of the internet and accessing all of the benefits that it has to offer. However, without evidence to support this we have capped all benefits at a maximum of two years. Future iterations of the progression survey would improve the robustness of forecasts and potentially make a stronger case for a longer benefit period.

Drop off takes account of the reduction in the 'amount' of the outcome over time, or an increase in attribution for the outcome to other factors. For example, some learners may have begun using the internet initially, but lost interest over time. Due to the short benefit period, drop off is not of great importance here as it is unlikely to affect the ratio. However, for some outcomes we have calculated drop-off, which is based on the proportion of learners that don't have home access or intend to get it, as their outcomes are much less likely to endure. As we can see, drop off is lowest for disabled people, which are also the group that is likely to receive the largest share of benefit from the intervention.

Outcome	Benefit period	Rationale	Drop off
Full or part-time job	2 years	Potential long-term outcome however, attribution to other factors increases with time	Disabled 10% Unemployed 23% Low income 29%
Improved job prospects	6 months	Point at which job prospects would begin to disimprove again (definition of long-term unemployed, Labour Force Survey)	

Further training	1 year	Attribution to other factors increases
Improvements at work	1 year	As for training
More informed about health	2 years	Potentially a long-term benefit
Health visits avoided	1 year	Based on annual data
Calls/visits to services avoided	I year	Based on annual data
Retain benefits	6 months (1 month valuation)	One-off penalty and likelihood training would be accessed elsewhere
Economic savings	2 years	Benefits likely to last beyond the year where skill is learned
Confidence	6 months	Risk of attrition once novelty has worn off
Independence (disability only)	2 years	Benefits likely to last beyond the year where skill is learned
Hobbies	2 years	Benefits likely to last beyond the year where skill is learned

Table 5: Benefit period and drop off

4. Inputs

The calculations in this report were based on a total input cost of almost £3 million. The total project spend is based on 204,237 learners. The calculations in this report are just based on the learners that took part in Learn My Way – 164,290. This is because the sample of learner data is drawn exclusively from Learn My Way (n=4482). Less is known about learners that have not participated in Learn My Way and the robustness of the findings decrease if extended to a wider population of learners.

5. Approach to calculating SME outcomes

As mentioned earlier, learner and progression surveys have not until recently asked questions relating to SMEs. This has meant that there were not sufficient SME data available to include in the analysis alongside the other learner outcomes. However, given that this emerged as an important benefit from stakeholder engagement and given the importance of SME outcomes to the FDI programme, we have decided to include it. The calculations are carried out using secondary data from BIS and imputed values based on the findings of the qualitative research. We have also excluded SME benefits in sensitivity analysis to assess what impact it has on the overall ratio. Finally, the report is presented as a forecasted analysis to on account of the lack of primary data for this stakeholder.

We know that 5% of Learn My Way registrations are self-employed. There are three outcomes of interest that we have attempted to model: cost savings, time savings and increased sales. A recent report from the Department of Business, Innovation and Skills(2015) has found that businesses do report positive outcomes from going online in relation to those outcomes (Table 6).

Outcome	Proportion	Source
Cost savings (marketing)	25%	BIS, 2015
Time savings	33%	BIS, 2015
Increased sales	50%	BIS, 2015

Table 6: Outcomes for SMEs from going online

Using these data we were able to predict the number of SMEs that were likely to be receiving a positive outcome in each area. One outcome was identified for the government – tax increases on increased sales – which we estimate at 15% of the increase in sales, which is close to the marginal corporation tax rate.