

From Welfare to Wellbeing©

Measuring the Economic and Social
Impact of Veterans Aid Support



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Acknowledgements

Veterans Aid (VA) extends its thanks to Pro Bono Economics (PBE) for their role in connecting our Charity with Cambridge Econometrics (CE) through their corporate matching scheme.

We are particularly thankful to Cambridge Econometrics for providing a dedicated team, Vaidehi Maheshwari and Ben Gardiner, to quantify the economic and social value of our interventions. This partnership represents advancement in our ability to measure and communicate the economic impact of our work with veterans in crisis.

The insights gained through this partnership will not only enhance our operational effectiveness but also provide stakeholders with a clearer understanding of the return on investment that Veterans Aid delivers through its Welfare to Wellbeing© model.

Contents

Executive summary	4
1 Introduction	6
1.1 Veterans Aid	6
1.2 Comprehensive Intervention and Rehabilitation Strategy	6
1.3 Examples of first contact	7
2 Data analysis	10
2.1 Client sample	10
2.2 Client demographics	11
2.3 Follow up information	15
3 Cost benefit analysis	17
3.1 Methodology	17
3.2 Potential value of successful outcomes	18
3.3 Cost of interventions	20
3.4 Assumptions and uncertainties	23
3.4.1 Causal attribution to Veterans Aid	23
3.4.2 Full cost of support	23
3.4.3 Duration of benefits	24
3.5 Illustrative scenario analysis	24
4 Conclusion	26
5 Appendices	27
5.1 Pathways in and out	27
5.2 Criteria used to define successful interventions	34
5.3 UCD estimates of value of outcomes	34

Executive summary

Veterans Aid ('VA' or 'the Charity') provides a range of support to homeless veterans in crisis. The Charity works intensively with veterans to help them tackle underlying issues such as poverty, unemployment, substance misuse, or mental health problems so they can sustain work and live independently.

Six years ago, in partnership with Pro Bono Economics and in association with Ingrid Petrie, Veterans Aid commissioned an independent audit of its activities and outcomes. In tandem with that process, it invested in the development of a sophisticated database so that inquiries and interventions could be logged and analysed. Over time this bespoke repository of information was expanded, adjusted and nuanced in response to growing understanding of its value.

In 2024, with a new Strategic Partner - Cambridge Econometrics ('CE'), an updated audit of VA's activity was initiated. CE, identified and engaged through Pro Bono Economics' corporate partner matching scheme, carried out an assessment of the costs and benefits of the charity's work with veterans. This study was conducted using data provided by Veterans Aid for a sample of veterans that it supported in 2022/23. It aims to assess the extent to which Veterans Aid succeeded in helping these veterans to reach improved outcomes, using the results of follow up calls that Veterans Aid made to veterans to monitor their progress.

This report assesses the costs incurred by Veterans Aid to support these veterans and quantifies the potential benefit of the successful outcomes reached in the form of fiscal saving, increased employment income, and wider benefits to society. However, due to inherent uncertainties regarding causal attribution, the precise nature and scope of costs, and the duration over which benefits are realised, these results should be interpreted with appropriate caution.

Key findings:

- In 2022/23, Veterans Aid carried out a total of 356 separate interventions across 246 veterans. The sample consisted of ex-servicemen and women, who received help in the 2022/23 financial year and remained self-sufficient following Veterans Aid's **crisis** and / or **prevention** intervention.
- Across all intervention areas analysed for the purpose of this study, almost **90%** were recorded as successful. These include continued abstinence, improved mental health and wellbeing, sustained employment and education and stable housing.
- Crisis accommodation stands as the most effective intervention, achieving **96%** success rate. This outcome reflects the charity's core commitment to addressing homelessness.
- In total, 40 out of 356 interventions (11%) are considered unsuccessful. In over half of these cases (24), clients had not responded to follow-up calls. It is impossible to determine whether these clients experienced negative outcomes, required further assistance, or did not answer follow-up calls because they had moved on. VA takes a conservative approach and considers such interventions unsuccessful.
- Veterans Aid incurred costs of almost half a million pounds in 2022/23. The vast majority of this was accounted for by external costs, such as cost of furnishing flat (with white goods and carpets), course of detox and rehab, crisis accommodation followed by overheads and staff costs.
- The resulting net benefit amounted to a value within the range of £1m - £2.6m, depending upon the nature of the benefits considered.
- The report calculates a benefits-to-cost ratio of between 2 and 5, indicating a positive return on investment in both economic and social terms.

- Overwhelmingly, clients considered in this analysis contacted Veterans Aid due to severe financial hardship and economic insecurity, with **63%** specifically reaching out because of poverty. These economic challenges, often compounded by multiple risk factors including housing instability and limited access to essential resources, were the primary driving force behind veterans seeking VA's support services.
- **29%** of clients were referred to VA from other UK service charities.
- Out of the 246 clients included in the analysis, **32%** of them presented as rough sleepers, facing the most severe and dangerous form of homelessness.
- 4% of the clients included in the report and seeking VA help reported poor health; however, none of the 246 clients in this analysis presented as having a disability or being an amputee.
- Persistence¹ of intervention for the clients considered in this analysis averaged 18 months. This means that when clients were contacted to assess their well-being, approximately 18 months had passed since VA's intervention had concluded. This follow-up assessment, carried out by the Operations team, determines whether clients maintained positive outcomes without requiring additional support. An 18-month persistence period represents a significant timeframe in social impact measurement, as it demonstrates sustained positive change, beyond the immediate post-intervention phase.

¹ This term refers to the lasting effects and sustainability of outcomes achieved through social programs beyond their initial implementation period.

1 Introduction

1.1 Veterans Aid

Veterans Aid provides support to ex-servicemen and women in crisis, particularly where there is a risk of homelessness. Established in 1932, the charity operates from Ops-Centre in central London, and a residential home in East London that provides temporary accommodation for veterans. The charity typically works with veterans who face multiple challenges, including homelessness, alcohol or drug addiction, unemployment and poor mental health.

Veterans Aid follows a Welfare to Wellbeing² model of intervention. This approach involves a programme of rapid and practical support to deal with all the factors that lead to crisis and homelessness.

Veterans Aid offers support in a diverse range of areas, depending on individual circumstances, including:

- Provision of crisis accommodation.
- Advice and support to prevent homelessness.
- Support to get treatment for mental health problems or substance abuse.
- Help to access training courses and secure employment.
- Financial assistance to cover items such as rent, food and the cost of third-party services.

Veterans Aid seeks to help restore veterans in crisis to the point where they can sustain independent living and long-term employment. This may involve a long-term investment in an individual with the aim of addressing the root cause of homelessness. Initially, this may involve provision of food, new clothing and shelter, followed by longer-term interventions such as counselling, drink/drug rehabilitation and medical treatment. Further support frequently involves education, retraining, or the acquisition of a new skill. Veterans Aid also helps veterans to secure employment opportunities and to move into new homes that are furnished and newly decorated by the Charity.

Most clients who approach the Charity have dual or triple-diagnosis problems that overlap and add complexity to the intervention strategies. Few charities or Government agencies are structured to deal with such problems in a holistic manner. Veterans Aid, by contrast, offers a powerhouse of diverse in-house expertise (social workers, substance misuse counsellor, military psychiatrist) that is augmented by access to an even wider network of external specialists (barristers, solicitors, academics etc.) who can be called upon to work in concert and minimise the prospect of VA “graduates” failing.

The academic weight of Veterans Aid's Welfare to Wellbeing² methodology has been formally adopted by the Flinders University in Australia and World Veterans Federation, and endorsed by the Centre of Social Justice, Greater London Authority and University of East Anglia. The W2WB² model demonstrates unparalleled versatility and effectiveness. VA's commitment lies in preserving the relevancy of their streamlined services, which are uniquely designed to address both - tackle immediate crises and inspire prevention.

1.2 Comprehensive Intervention and Rehabilitation Strategy

Help from Veterans Aid is only accessible for those who are suitably motivated and honest about what has brought them to the Charity. Every client who engages does so entirely of their own volition, not at the request of family members, the criminal justice system or any other third party.

² This model was developed by the charity's CEO, Dr Hugh Milroy

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Establishing and building a rapport with a client is one of the Charity's greatest strengths. Though one may assume that the focus of this rapport would be around military service, it is actually quite the opposite. Gaining a thorough insight into each individual requires a holistic approach to each assessment which is more likely to focus upon childhood and/or relationship issues than their time in HM Armed Forces. A strong rapport allows clients to trust, and subsequently invest in, the VA's support model from day one.

A major part of the Charity's work involves recognising the importance of building an entirely new community around a client, which must be sustained post-graduation. Boredom and isolation are toxic, and treatment can be worthless if either of these become an ongoing problem for a client. This sense of community often begins at New Belvedere House, a world class facility which fosters a vitally important ethos of mutual support and personal responsibility.

For clients who are motivated and in dire need of intervention, the mechanics of the Charity empower both its Addiction and Operations Services to work immediately in securing appropriate facilities and solutions. There is often a narrow window of opportunity, particularly with those struggling with addiction and alcoholism, where motivation and belief in oneself ebbs and flows. The Charity's ability to deliver outcomes quickly, efficiently, and without an intimidating stack of bureaucracy is key to capitalising on these critical moments when a veteran is ready for change.

Recovery from addiction and crisis is a painful, arduous journey, with consequences that may take months or years to resolve. Setbacks and relapses are inevitable, but VA does not view these as 'failures'. Instead, the Charity maintains unwavering engagement with veterans—encouraging, supporting, and motivating them throughout their recovery process. This consistent presence and support often lead to sustainable transformation, even in the most challenging cases.

The success of Veterans Aid's integrated support approach lies in the following areas:

- The thorough nature of the Charity's holistic assessment process, which addresses both immediate crises and underlying issues.
- Cultivating a sense of community and belonging that counters the isolation often experienced during crisis or recovery.
- The strength of the relationships the Charity has developed with the best treatment services, housing providers, and support networks in the UK.
- The speed with which both the Addiction and Operations Services can implement and complement interventions, whether for substance misuse treatment, emergency accommodation, or urgent financial support.
- The comprehensive support extended by the Charity before, during, and following any intervention, ensuring continuity of care that addresses all aspects of a veteran's wellbeing and circumstances.
- The seamless coordination between Addiction and Operations Services, allowing for multi-faceted support that recognises how various challenges in veterans' lives are often interconnected.

1.3 Examples of first contact

Veterans typically arrive at Veterans Aid when they have reached the deepest point of crisis in their lives, having exhausted all other avenues of support—from family and friends to mainstream services. These individuals often present in dire circumstances: homeless or on the verge of rough sleeping, suffering from acute financial hardship, experiencing deteriorating mental health, or overwhelmed by complex and interconnected problems. Many have spiralled through a series of setbacks, with each crisis compounding the next until their situation has become seemingly impossible to overcome without specialised intervention.

The charity regularly encounters veterans who have attempted to navigate complex support systems alone, only to find themselves trapped in bureaucratic processes ill-equipped to address their unique circumstances. By the time they reach Veterans Aid, many are physically exhausted, emotionally depleted, and psychologically vulnerable. They arrive not just seeking practical assistance or advice but often in need of immediate stabilisation - whether that means emergency accommodation to escape street homelessness, urgent financial relief, or compassionate support to navigate personal crises. VA represents not simply another service provider but often the critical lifeline when all conventional support structures have proven insufficient.

The following vignettes are drawn directly from initial email approaches to Veterans Aid, anonymised for the purposes of this study, and provide authentic insight into the severity of circumstances veterans face when first making contact.



I have a client, 89 year old veteran being made homeless from the house he has lodged in for 30 years.

Would you be able to get involved with this?
I am trying several organisations to see what help I can get him."



"I have slept in my car for 2 nights and went to my local council today where they cannot help me and tonight I am sleeping again in my car.

Please can someone help me as I have no support or anyone to turn to."



"Good Afternoon, I'm typing this on behalf of Mr XXX as he has difficulty typing.

We spoke with 'X' service charity regarding help with home detox as 'T' is an alcoholic.

They advised to reach out to yourselves."



"Mr 'X' was found rough sleeping on the streets of London.

I would like to find out if there is any support your service can render to him since he is an ex-army officer.

Counting on your usual cooperation."



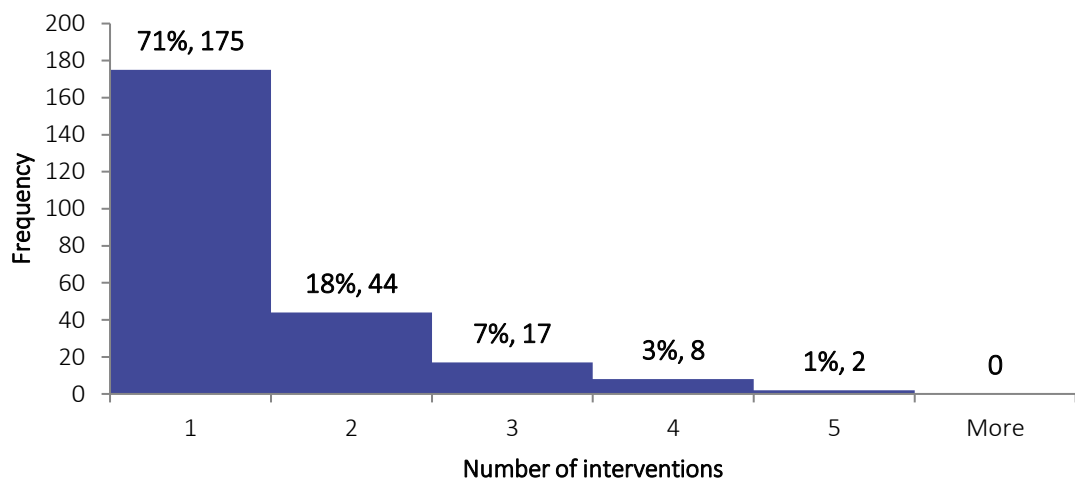
2 Data analysis

This section presents a comprehensive overview of the client data utilised in the cost-benefit analysis, offering insights into the demographic and clinical characteristics of the individuals supported by Veterans Aid. In addition, it outlines the follow-up data collected by the charity, detailing both the success rates of various interventions and the underlying factors contributing to less successful or incomplete outcomes.

2.1 Client sample

Veterans Aid carried out a total of 356 separate interventions in 2022/23 for the 246 veterans in the sample. Figure 1 displays the distribution of the interventions per person – 71% of the sample were supported across a single intervention area.

Figure 1: Distribution of interventions per person



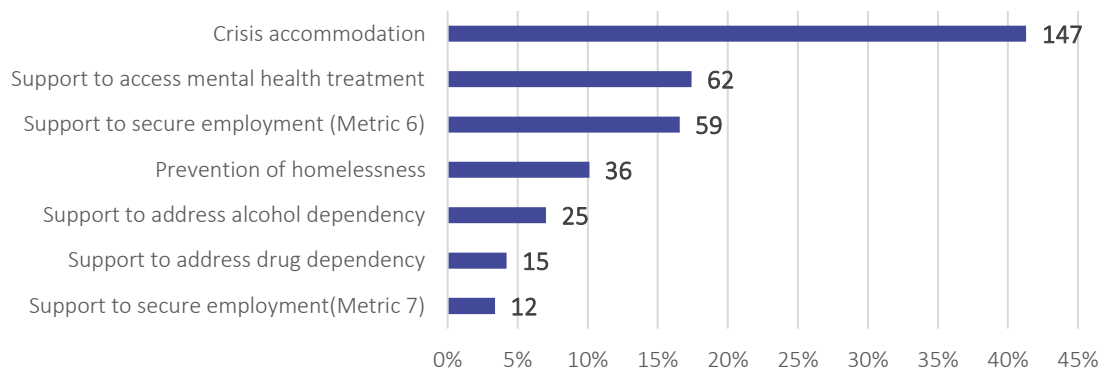
Note: The labels on each bar note the number of clients treated for specific number of interventions and their share of the total client sample.

Source: CE analysis of PBE client sample data

The support provided by Veterans Aid aims to help veterans who are homeless or in crisis to make lasting improvements in their lives. This can significantly improve the wellbeing and economic security of the veterans helped by the charity, and lead to wider economic benefits, such as a reduced burden on public services and increased output from employment.

51.4% of these interventions relate to the provision of emergency accommodation and the prevention of homelessness (see Figure 2). This is unsurprising as these are Veterans Aid's core charitable activities. The remainder of the interventions relate to one of the four other support areas where the charity helped veterans deal with the range of difficulties that are often associated with homelessness.

Figure 2: Type of support provided in sample



Note: The labels for each bar represent the number of interventions under the specific type of support. The size of the bar represents the proportion of interventions under a specific type of support in relation to the total number of interventions provided in 2022/23.

Source: CE analysis of PBE client sample data

2.2 Client demographics

The snapshots below illustrate client's demographics and the type of support that was sought. 246 clients considered in this report are predominantly middle aged, reported zero disabilities or amputations, with the majority having served in the Army (81%) for an average of just 6 years. The most pressing issue they face is housing insecurity; nearly a third experience rough sleeping, with others sofa surfing (17%) or at risk of homelessness (16%). These veterans, typically 14 years post-service, primarily find VA through other military charities (29%), self-referrals (28%), or internet searches (18%).

CLIENT SAMPLE:



246



**Average age:
46 years old**



Male: 95% | Female: 5%



**Health: Number of disabled
and / or amputees: 0**

WHAT WAS THE REASON FOR CONTACTING VA?

*CLIENTS CONTACTED VA FOR MULTIPLE REASONS

DATA OUT OF 246 CLIENTS



63%	Poverty
22%	Mental health
20%	Unemployment
19%	Alcohol misuse
19%	Relationship breakdown
10%	Drug misuse
4%	Illness / poor health
3%	Domestic violence
2%	CDT (Compulsory drug test) fail & gambling
2%	Hospital discharge, prison discharge & immigration
1%	Probation

BACKGROUND INFO



LENGTH OF SERVICE

AVERAGE: 6 YEARS
SHORTEST: 2 MONTHS
LONGEST: 37 YEARS



AVERAGE TIME SINCE CLIENT LEFT ARMED FORCES:

14 YEARS

WHERE DID THE CLIENTS COME FROM?



REFERRALS:

Military charity: **29%**
Self-referrals: **28%**
Internet: **18%**
Word of mouth: **15%**
A non-military charity: **9%**
Police referral: **1%**

HOUSING STATUS AT THE POINT OF CONTACT:

Rough sleepers: **32%**
Sofa surfing: **17%**
At risk: **16%**
Sleeping in a car: **9%**
Temporary accommodation: **8%**
In accommodation: **8%**
Tied accommodation: **4%** (i.e. tied to employment or spouse's work)
Homeless abroad: **4%**
Section 21 / end of tenancy: **2%**



OUR CLIENTS CONTINUE TO THRIVE
18 MONTHS LATER AND COUNTING.



2.3 Follow up information

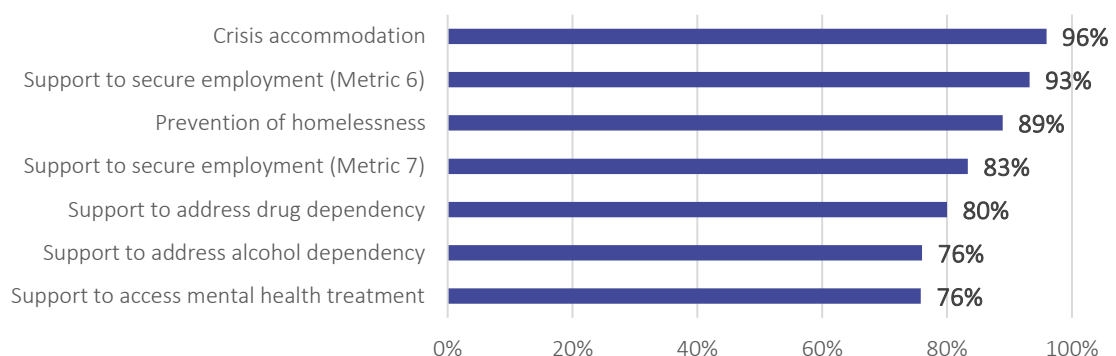
Veterans Aid carries out follow up calls with veterans to assess whether an intervention has been successful. The Charity has a well-structured process for contacting veterans once periods of at least 6, 12 and 18 months has elapsed since they last sought help on an issue. The intervention is considered successful if the follow up call shows that the individual has not encountered further difficulty on this issue. The specific criteria applied to define a successful outcome for each intervention area are set out in section 5.2.

- For example, an intervention to prevent a veteran becoming homeless is deemed to be successful if the individual is still in accommodation at the follow up point. As shown in

Figure 3, the proportion of successful interventions varies somewhat across the different intervention areas, but is relatively high in all areas:

- Almost all (96%) of the veterans who received emergency accommodation or support to prevent homelessness were still in accommodation at the six-month follow-up contact and later (up to 18 months).
- Across all intervention areas in the sample, 316 instances (or 88.8%) of support provided were recorded as having a successful outcome (these include continued abstinence, improved mental health, and full- or part-time employment).

Figure 3: Proportion of successful interventions in sample



Source: CE analysis of PBE client sample data

In total 40 of the 356 (11%) interventions provided to veterans in the client sample were recorded as unsuccessful in bringing about a sustained improvement at the follow up call. In over half of these cases (24 interventions) the veteran could not be contacted and so the outcome is uncertain.

Veterans Aid takes a conservative approach in such cases and assumes that all interventions where the veteran cannot be contacted are unsuccessful.

There are a variety of other reasons why interventions were deemed to be unsuccessful, depending on the intervention area. These are summarised in Table 1.

Table 1: Outcomes in interventions deemed unsuccessful

Intervention	Reason for unsuccessful/unknown outcome	Share of total unsuccessful/unknown outcomes
Crisis accommodation	Unable to contact	17%
	Passed away	17%
	Prison	33%
	Homeless	33%
Prevention of homelessness	Unable to contact	25%
	Passed away	25%
	Prison	25%
	Treatment Project	25%
Support to address alcohol dependency	Unable to contact	50%
	Passed away	33%
	Completed treatment - Currently back in active addiction	17%
Support to address drug dependency	Unable to contact	67%
	Passed away	33%
Support to access mental health treatment	Unable to contact	87%
	Passed away	13%
Support to help secure employment	Unable to contact	50%
	Volunteering	50%
Support to help secure employment	Unable to contact	100%

Source: CE analysis of PBE client sample data

3 Cost benefit analysis

The economic impact of social interventions by charities can be assessed in the framework of a social cost benefit analysis. This involves a comparison of the social value of the benefits from its work with veterans, in monetary terms, to the cost of support, to calculate the resulting net benefit. For this to be meaningful, it is important that the estimate of benefits only relates to improvements in outcomes that are due to support provided by Veterans Aid, and that the estimate of the costs involved in achieving this is complete and reliable.

This section describes the methodology for calculating the costs and benefits of the interventions. Following this we quantify the potential benefits that result from successful interventions using publicly available data on the monetary value of comparable outcomes. We then consider the costs incurred by Veterans Aid in relation to the support provided to clients in the client sample. We also consider some of the challenges that are involved in carrying out a reliable economic impact assessment using the currently available data. Finally, we set out some illustrative scenario analysis to explore how the balance between costs and potential benefits are affected by the key unknown factors.

3.1 Methodology

The analysis is based on a sample of 246 veterans (the ‘client sample’) who were helped by Veterans Aid in 2022/23 in one or more of the following intervention areas³:

- Provision of crisis accommodation.
- Prevention of homelessness.
- Support to address alcohol dependency.
- Support to address drug dependency.
- Support to get treatment for mental health problems.
- Support to secure employment.⁴

As discussed in the previous section, Veterans Aid supports veterans in various ways, including expert advice from its staff, financial aid with living costs, and financial support to access services to address addiction, mental health problems, and training. The intervention areas considered in this study were chosen because they represent important areas of support provided by Veterans Aid that relate directly to homelessness or to one of the areas that is associated with homelessness. In addition, publicly available information exists that can be used to assess the social and economic benefit of Veterans Aid’s work in these areas.

Veterans were included in the sample if they had been helped by Veterans Aid in one or more of these areas in 2022/23 and had also received a subsequent follow up to assess whether the intervention was successful in bringing about a sustained improvement. In total, the sample includes 246 veterans supported through 356 separate interventions. Other information provided by VA includes⁵ :

- Information on type of intervention
- Date and result of follow up call which is used to determine whether the intervention was successful.

³ Some clients may also have received support in 2022/23 in other areas that is not included in the client sample.

⁴ This includes support provided under metrics 6 and 7.

⁵ This information was extracted by Veterans Aid from its client database as part of this study.

- The amount of support provided by Veterans Aid staff in 2022/23 relating to the intervention in 2022/23, recorded in minutes.⁶
- The external expenditure incurred by Veterans Aid in the form of financial support provided. This includes expenditure by Veterans Aid on items such as food, transport and accommodation, and the cost of any required services such as treatment for alcohol or drug misuse.

These data provide a snapshot of Veteran Aid's activities in 2022/23 which CE used to:

- 1) Estimate the extent to which the interventions provided to clients in the sample were successful based on a set of defined criteria (see section 5.2).
- 2) Assess the potential value to society (or benefits) of these successful interventions using publicly available estimates of the monetary value of outcomes through Greater Manchester Combined Authority's Unit Cost Database (see section 3.2). These estimates are broadly comparable to those targeted by Veterans Aid in the intervention areas included in the sample.
- 3) Calculate the total costs incurred by Veterans Aid in 2022/23 in relation to the interventions included in the sample. External costs are taken directly from the VA database. The intervention's overhead cost is determined by applying a 20% rate to the total of staff time and external spending. The staff cost per intervention is calculated by multiplying the duration of staff support in minutes by the staff cost per minute.⁷ Thus the total expenditure on an intervention is the sum of all three types of cost.
- 4) Inform a scenario-based analysis that explores how the balance of costs and benefits depend on the value of three key uncertain parameters.

All monetary values are expressed in 2022 prices unless otherwise stated.

3.2 Potential value of successful outcomes

The outcomes targeted by Veterans Aid are associated with a variety of social benefits, including fiscal savings from reduced expenditure on public services in areas like health and homelessness and increased tax revenues, economic benefits from increased employment, and wider benefits to society due to less crime and increased wellbeing of veterans. It is not straightforward to place a monetary value on these outcomes because of the lack of relevant publicly available estimates for homeless veterans.

For the purposes of this study, we have relied upon estimates in the Greater Manchester Combined Authority's Unit Cost Database (UCD)⁸ relating to the unit value of outcomes that are broadly comparable to those targeted by Veterans Aid - see section 5.3 for more details. While this appears to be the best currently available source the UCD estimates they are at best rough proxies for the value of the outcomes targeted by Veterans Aid and must be treated with caution. For example, they (necessarily) rely on specific assumptions which may not be applicable to homeless veterans, and on existing topic-specific studies and research which are also subject to limitations. Further detailed work

⁶ This includes an allocation of indirect staff support time to clients who received employment-related assistance. The estimated staff time for each client has been uplifted by 25% to account for potential under-recording of staff time on individual interventions.

⁷ The cost per minute of VA staff support is derived by dividing the annual staff costs by the total annual minutes worked by VA staff in FY 2022/23.

⁸ The Unit Cost database was developed by the Greater Manchester Combined Authority (GMCA) Research Team (formerly New Economy) to simplify and lower the cost of performing cost benefit analysis (CBA) in the context of local programmes to improve public services. <http://www.neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/costbenefit-analysis/unit-cost-database>

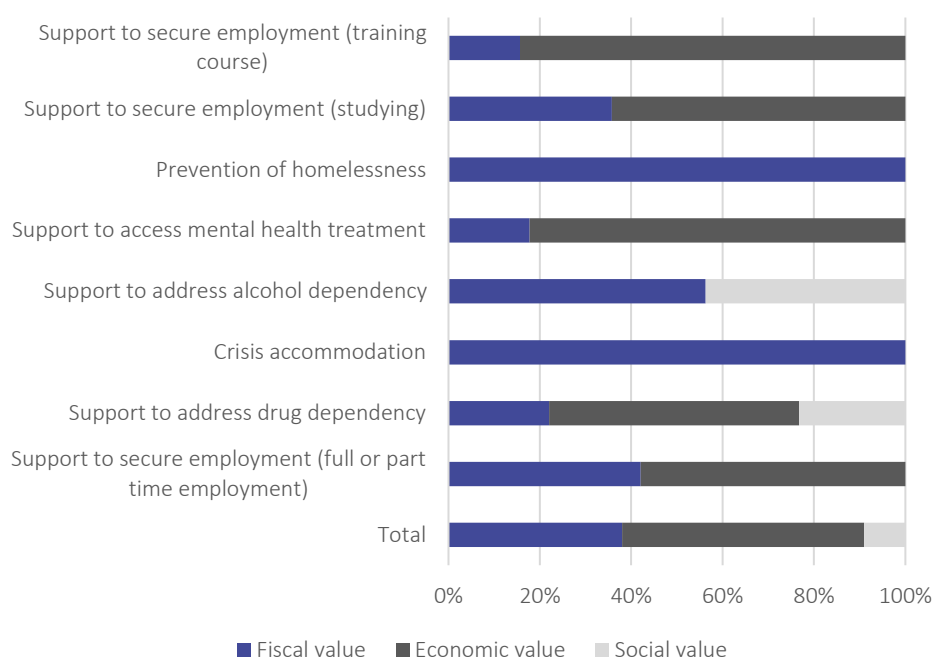
would be needed to obtain a more reliable estimate of the potential benefit of the outcomes targeted by Veterans Aid, which is outside the scope of this study.

The UCD distinguishes between three different types of value as follows⁹:

- Fiscal value: these are costs or savings to the public sector. Note that these estimates do not include transfer payments such as tax or social security benefits.
- Economic value: net increase in earnings or growth in the local economy.
- Social value: wider gains to society such as improvements to health, educational attainment, housing etc.

Figure 4 shows the relative importance of each of these areas to the overall gross benefit in each intervention area.

Figure 4: Sources of benefit by intervention area (% total)



Note: Economic and social values are missing for certain categories in the UCD database
Source: CE analysis of PBE client sample data

Based on the UCD estimates, we calculate that the potential value of the successful outcomes in the client sample is between **£1.4 million to £3.1 million** (depending upon whether only fiscal benefits were considered or gross benefits). This figure is derived by multiplying the number of successful outcomes in each of the intervention areas by the relevant value estimate in the UCD. We have assumed that successful outcomes are sustained for a period of 12 months. This appears reasonable as a minimum duration, given the length of time that typically elapses between the last intervention by Veterans Aid and the follow up call.

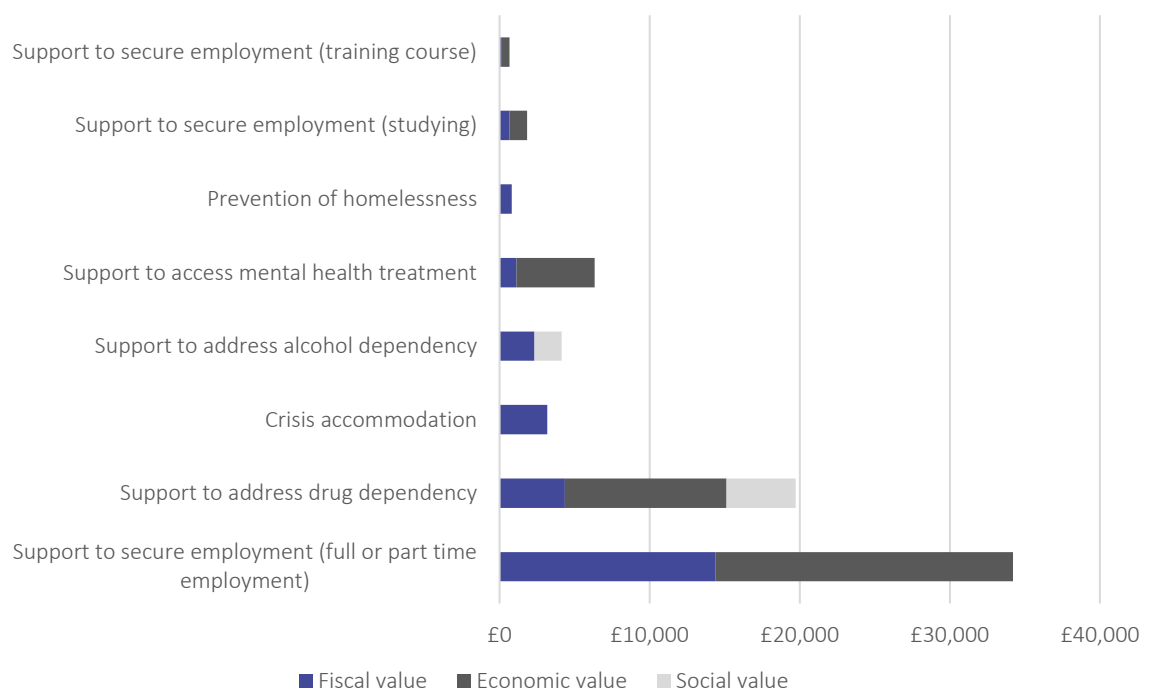
It should be noted that this estimated benefit range represents the *maximum* potential benefit that is causally attributable to Veterans Aid. As we discuss further in section 3.4, the actual benefit that is attributable to the Charity may be lower if some of the observed improvement in outcomes would have occurred without support from Veterans Aid (e.g. if a homeless veteran would have been able to find accommodation without support from Veterans Aid, potentially by seeking help from another source).

Figure 5 shows that most of the estimated potential fiscal benefit stems from successful outcomes in three of the intervention areas in the client sample:

- Helping veterans secure employment: this leads to increased income for the veteran, as well as fiscal savings in the form of increased tax revenues and reduced benefit payments.
- Provision of emergency accommodation: this results in fiscal cost savings related to a reduction in the incidence of statutory homelessness, such as the avoided cost of temporary accommodation.
- Support to access treatment for drug dependency: this comprises fiscal savings from reduced drug-related offending that accrue to the criminal justice system, victim services and the NHS, and savings from reduced demand for health and social care services on drug-related ailments. There is also an economic value relating to the annual cost saving of not buying drugs, and a social value based upon the reduced health/well-being adverse impact of drug abuse.

The relative importance of the different intervention areas, in relation to the total value of successful interventions in the client sample, reflects the combined effects of variation in the number of successful outcomes and in the value of successful outcomes in the UCD across the intervention areas.

Figure 5: Benefit by intervention area in sample (per single intervention)



Source: CE analysis of PBE client sample data

3.3 Cost of interventions

The costs of support provided to clients in the client sample in 2022/23 incurred by Veterans Aid fall into three cost categories:

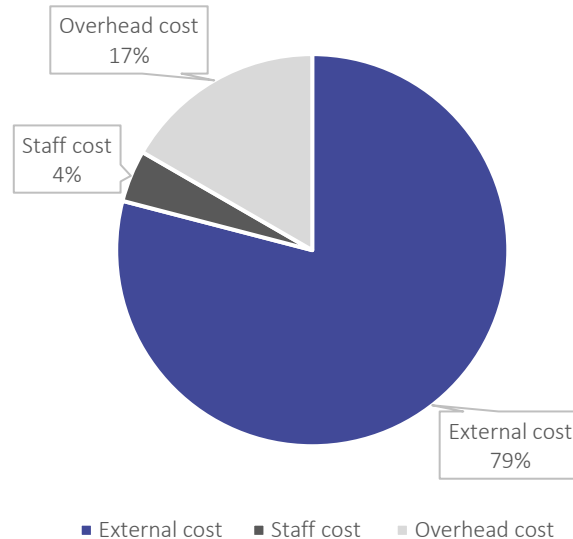
- The cost of staff time related to providing support and advice to the client.
- External expenditure by Veterans Aid to support the client.

- An allocation of overhead costs.

Veterans Aid spent £484k on the 356 interventions in the client sample, or around £1967 per veteran.

The cost per intervention is calculated as the sum of these three cost components for each intervention. In aggregate, Veterans Aid incurred a total cost of **£484k** in 2022/23 across all 356 of the interventions in the sample.¹⁰ This figure includes approximately **£383k** in external costs, **£21k** in staff costs and **£81k** in overhead costs (see Figure 6).

Figure 6: Cost breakdown



Source: CE analysis of VA data

- The charts show that the cost per intervention varies significantly between interventions in each of the three cost categories, albeit to a varying degree. This reflects the fact that the amount of support needed varies significantly between clients, depending on their circumstances. It is also likely that some of the variation is because some clients received support prior to 2022/23 which is not reflected in the client sample data. This means that they do not include the cost of support provided in previous years that has contributed to a successful outcome. As a result, the estimated cost of support based on the client sample may understate, possibly significantly, the actual cost needed to achieve a successful outcome in some cases.

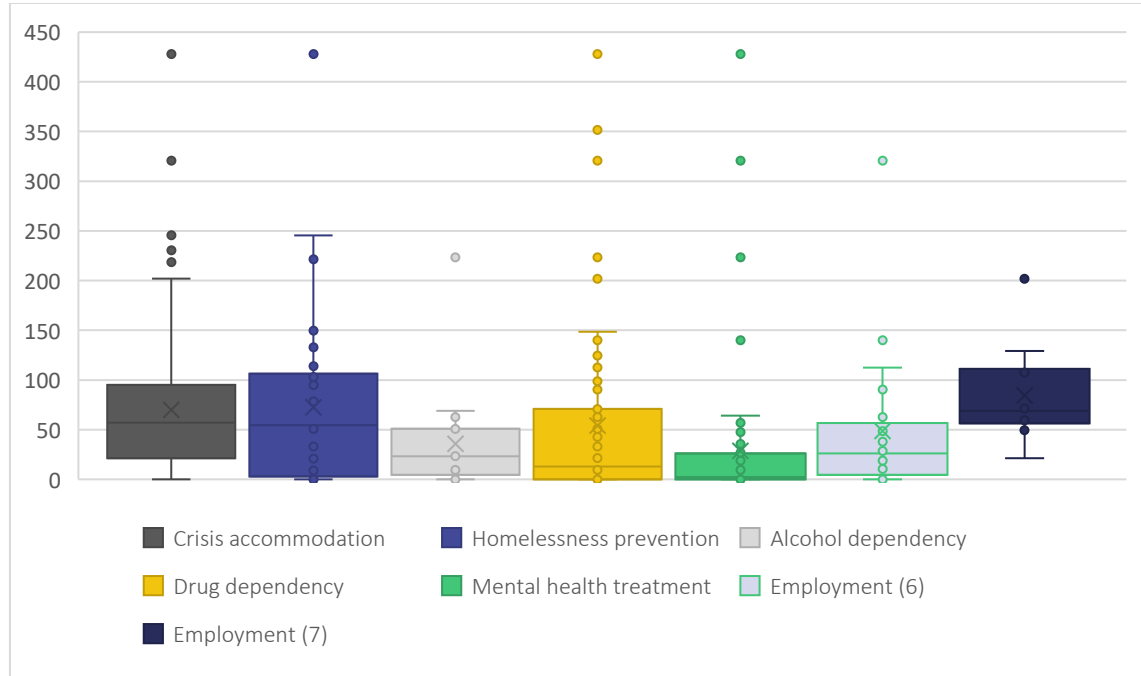
Figure 7 and Figure 8 show the cost per intervention for staff time and external expenditure, broken down by intervention area. The figures have the following features:

- The solid boxes show the range in which the middle 50% of the observations lie (this is known as the interquartile range).
- The line joins the average cost per intervention in each intervention area.
- The vertical lines on either side of the solid boxes identify which data points can be considered relatively unusual. Any points above or below these lines are outliers.
- The charts show that the cost per intervention varies significantly between interventions in each of the three cost categories, albeit to a varying degree. This reflects the fact that the amount of support needed varies significantly between clients, depending on their circumstances. It is also likely that some of the variation is because some clients received support prior to 2022/23 which is not reflected in the client sample data. This means that they do not include the cost of

¹⁰ Note that this figure includes the cost of the interventions that did not result in a successful outcome in 2022/23 as well as the cost of successful interventions.

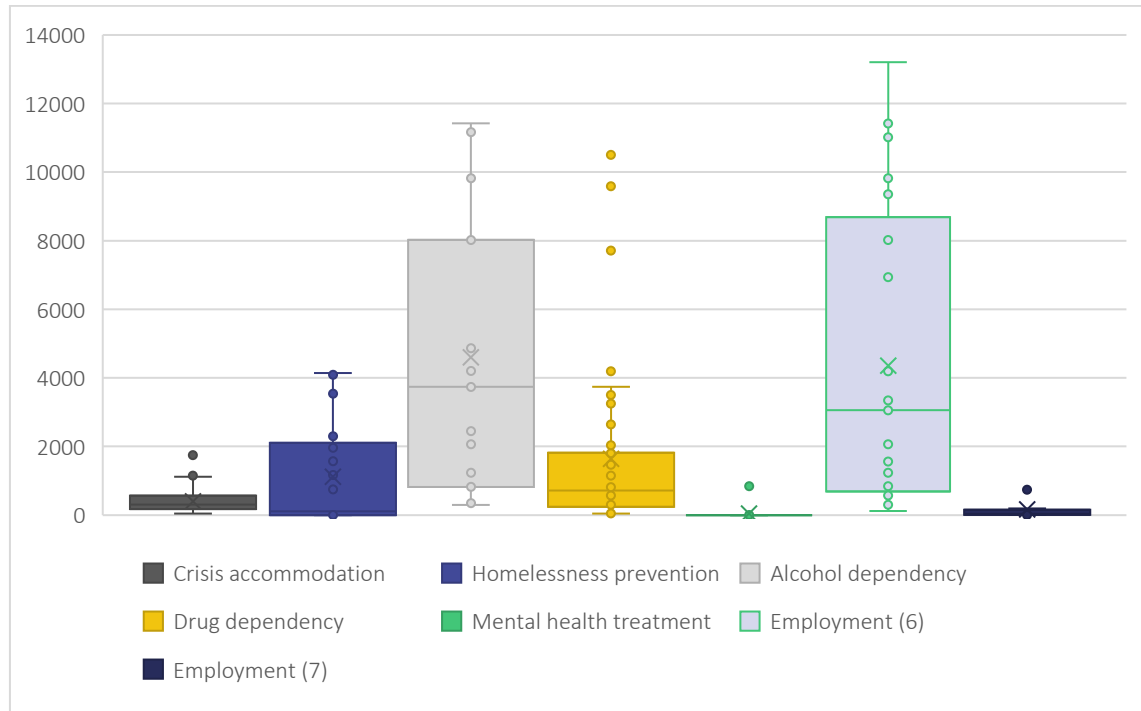
support provided in previous years that has contributed to a successful outcome. As a result, the estimated cost of support based on the client sample may understate, possibly significantly, the actual cost needed to achieve a successful outcome in some cases.

Figure 7: Staff cost per intervention



Source: CE analysis of PBE client sample data

Figure 8: External cost per intervention



Source: CE analysis of PBE client sample data

External costs are one of the highest in alcohol (and indeed substance misuse) due to costs of a treatment that involves both detox and rehab courses.

It is probable that there are dependencies between the different types of support that Veterans Aid provides, so that success in one area is dependent on support provided in other areas. This is particularly likely in relation to securing employment, for example, since success in this area is particularly dependant on individuals having sufficient stability in other areas of their lives. This suggests that it is more appropriate to look at the overall level of support provided to a client across 'related' areas, rather than to consider individual areas in isolation.

3.4 Assumptions and uncertainties

The feasibility of carrying out a reliable CBA depends on the availability of a range of evidence to assess both the costs and the benefits that are causally attributable to the intervention. As discussed in section 4, the client sample contains good evidence on the outcomes achieved and the costs incurred in 2022/23. There are, however three important areas of uncertainty that limit the scope to carry out a reliable CBA at this stage, based on the currently available data:

- **Attribution to Veterans Aid:** This relates to uncertainty about the extent to which successful outcomes achieved by veterans would have occurred in any event even without the support provided by Veterans Aid.
- **Full cost of support needed:** This relates to uncertainty about the extent to which the cost of achieving successful outcomes is understated by focusing on costs that were incurred in 2022/23 only.
- **Duration of benefits:** This relates to uncertainty about the length of time that veterans are likely to maintain successful outcomes beyond the follow up contact.

3.4.1 Causal attribution to Veterans Aid

The issue of attribution arises because of the possibility that some of the veterans helped by Veterans Aid may have achieved some of the observed improvement in outcomes even if they were not supported by Veterans Aid, for example by seeking help elsewhere, or accessing treatment for addictions through other means. If this is the case the estimated gross benefit of successful outcomes should be adjusted downwards by a % 'attribution factor' that reflects the extent to which Veterans Aid's work results in improved outcomes that would not otherwise have occurred.

Reliably assessing the size of the attribution factor is a key issue in impact evaluation. Failure to account for this properly risks overstating the benefits that are causally related to an intervention, due to the inclusion of some benefits that would have occurred without the intervention. In some cases, it is possible to make an informed judgement about the size of the attribution factor using the outcomes for a comparable group of beneficiaries who did not receive the intervention. Unfortunately, we were unable to identify a reliable comparator group for Veterans Aid that matches the characteristics of the veterans it supports, nor could we identify any reliable evidence relating to outcomes achieved by similar interventions aimed at supporting homeless veterans in the UK or elsewhere. These difficulties are not uncommon in evaluations of interventions targeting homelessness that reflects the difficulty of reliably assessing likely outcomes in the absence of the intervention, particularly if the scheme serves a group of individuals with highly specific characteristics.

3.4.2 Full cost of support

The second area of uncertainty relates to the fact that the client sample only includes costs incurred in 2022/23. This means that any costs incurred in previous years relating to support that contributed to a successful outcome in 2022/23 is not included. As a result, the estimate of cost based on the sample data may underestimate the full cost of achieving a successful outcome. We note that costs incurred in prior years are also relevant in relation to the 11% of interventions in the sample that did not achieve a

successful outcome in 2022/23. Failure to account for this would result in an understatement of the relevant costs in an economic impact assessment.

3.4.3 Duration of benefits

Our analysis of gross benefits assumes that veterans maintain a successful outcome for at least 12 months. This is reasonable since follow up calls took place around 12 months after Veterans Aid last helped the veterans in the sample. It is likely, however, that some veterans will maintain successful outcomes for longer than this, particularly if they have succeeded in addressing some of the underlying causes that resulted in crisis and homelessness. Failure to account for this would result in an understatement of relevant benefits in an economic impact assessment. We note that a veteran may succumb to further difficulties, such as a recurrence of homelessness, because of new circumstances that are unrelated to the causes of crisis that resulted in them seeking help from Veterans Aid. Although the exact causes of any future crisis may not always be clear cut, in principle such cases are not indicative of a lack of effectiveness in the support provided by Veterans Aid.

3.5 Illustrative scenario analysis

In this section we set out a scenario-based analysis that explores how the balance between the attributable benefits and costs depends on the extent to which improved outcomes (such as the prevention of homelessness) are causally attributed to Veterans Aid, the duration of positive outcomes, and the magnitude of any costs incurred in supporting veterans in the sample prior to 2022/23. We have constructed scenarios that allow for uncertainty in both benefits and costs. This is done using the following approach:

- Attributable benefits are calculated by multiplying our estimate of the gross benefit of successful outcomes by the assumed % attribution factor, and by the assumed duration of benefits.
- Costs of support are calculated by multiplying our estimate of the costs in 2022/23 by a % uplift factor that reflects the value of support provided in prior years.

The specific values we use in our scenarios are shown in Table 2. These are chosen to illustrate a wide range of possibilities

Table 2: Scenario assumptions

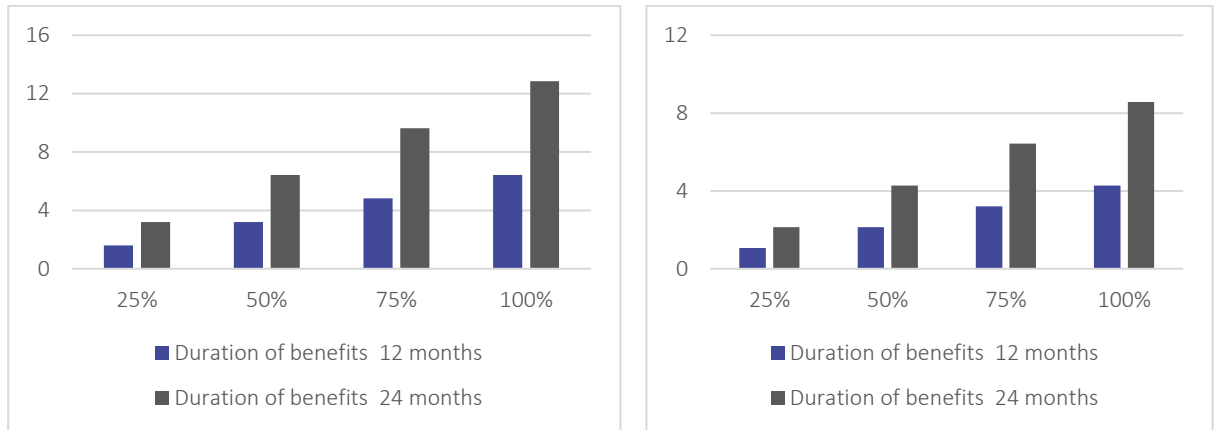
Factor	Scenario Assumptions
% attribution of benefits	25%, 50%, 75%, 100%
Duration of benefits	12 and 24 months
Cost uplift	0%, 50%

Source: CE analysis of PBE client sample data

Figure 9 and Figure 10 shows the ratio of the attributable benefit to cost for these scenarios.¹¹ This is referred to as the benefit-cost ratio, or BCR, which is a widely used measure of the return per £1 invested in an intervention. The results shown relate to the costs and benefits for veterans in the client sample.

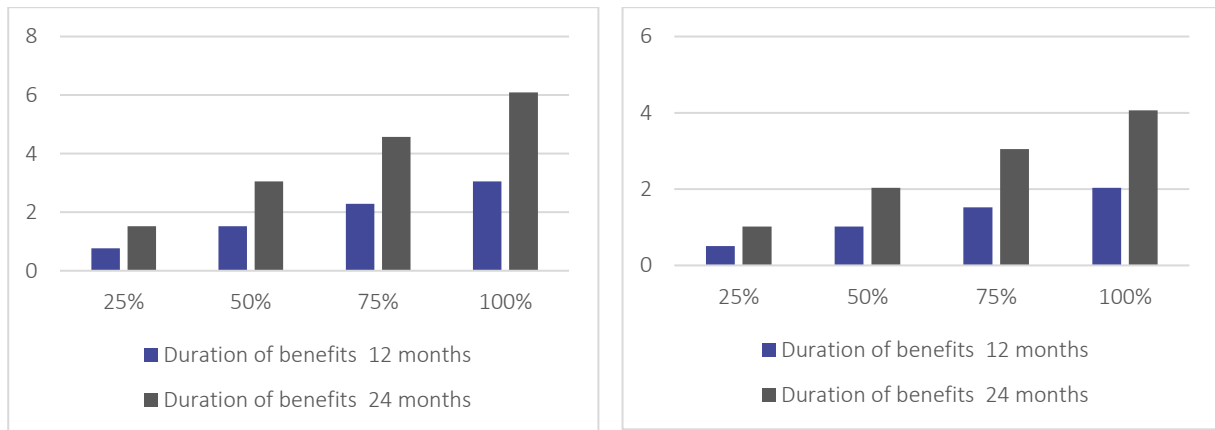
Figure 9: BCR, gross benefits

¹¹ For simplicity we do not discount future benefits or costs. This does not materially alter our findings given the short time period considered.



Note: Chart on the left is based on no uplift to costs. Chart on the right incorporates a 50% uplift to costs. The x-axis reflects the % attribution of benefits to VA.
Source: CE analysis of PBE client sample data

Figure 10: BCR, fiscal benefits only



Note: Chart on the left is based on no uplift to costs. Chart on the right incorporates a 50% uplift to costs. The x-axis reflects the % attribution of benefits to VA.
Source: CE analysis of PBE client sample data

These figures show that benefits are likely to exceed costs (i.e. BCR above 1) for most of the assumptions considered. A BCR at or below 1 only arises in the cost uplift scenario with an attribution rate of 25% and assuming that the benefits do not persist beyond the follow up call. This is true whether we consider fiscal benefits only or use gross benefit values. In all other cases, we find a BCR value greater than 1.

There are two important points to note when interpreting these results. First, the potential benefits are based on the values from the UCD that we use as a proxy for the social value of the outcomes targeted by Veterans Aid. As discussed earlier, these are at best indicative. Second, the quantification of benefits may not fully capture improvements in veterans' wellbeing to the extent that they are not captured in the values from the UCD.

4 Conclusion

In 2022/23, Veterans Aid carried out a total of 356 separate interventions for 246 veterans out of which 88.8% of interventions were recorded as having a successful outcome. Veterans Aid incurred costs of £484k in 2022/23 against potential benefits within the range of £1.4 million to £3.1 million. The resulting net benefit amounts to a value within the range of £991k to £2.6 million depending upon the nature of benefits considered.

In comparison, VA helped 166 veterans through 230 interventions in 2016/17, with 79% of the interventions being successful. The charity incurred costs of £274k against £965k in benefits in 2016 price levels. Adjusting for inflation, the total benefit value in 2022 prices would be £1.2 million against costs incurred to the tune of £327k, with corresponding net benefit of £873k.

Table 3: Results comparison (in 2022 prices)

Dimension	2016-17	2022-23
Number of veterans	166	246
Number of interventions	230	356
% of successful interventions	79%	88.8%
Total benefits	£1.2 million	£1.4 million - £3.1 million
Total costs	£327k	£484k
Net benefit	£873k	£991k - £2.6 million

Source: CE analysis of VA data

This increase in net benefit value between 2016/17 to 2022/23 could be attributed to a number of reasons, including but not limited to greater efficiency in data collection and expansion of the client pool over time. Furthermore, in 2016/17 around 17% of interventions which ended in that corresponding financial year were undertaken to provide support under alcohol misuse and drug abuse. This is in contrast to 11% of interventions being classified under the aforementioned metrics in 2022/23 financial year. These two interventions are relatively costly and thus would have had a depressing effect on the net benefit number.

The scenario results show that the net benefit delivered by Veterans Aid for clients in the sample depends on extent to which the outcomes achieved are attributable to the support it provides, the time over which the benefits are maintained, and the cost of support provided to veterans in the sample prior to 2022/23. Unfortunately, it is not possible to give a definitive view of the likely Benefit to Cost ratio, based on currently available information. In part, this is because the lack of a suitable comparator group means that it is not possible to reliably assess the size of the attribution to Veterans Aid.

Although it is not possible to reliably quantify the attribution factor, our analysis indicates that veterans supported by Veterans Aid succeed in making real improvements in their lives. The charity provides extensive practical support to clients who face very challenging circumstances, and it is unlikely that veterans would have been able to make as much progress without its support. We also note that Veterans Aid has told us that, in many cases it is approached by veterans because of a lack of access to appropriate support elsewhere, or because these alternatives have been ineffective.

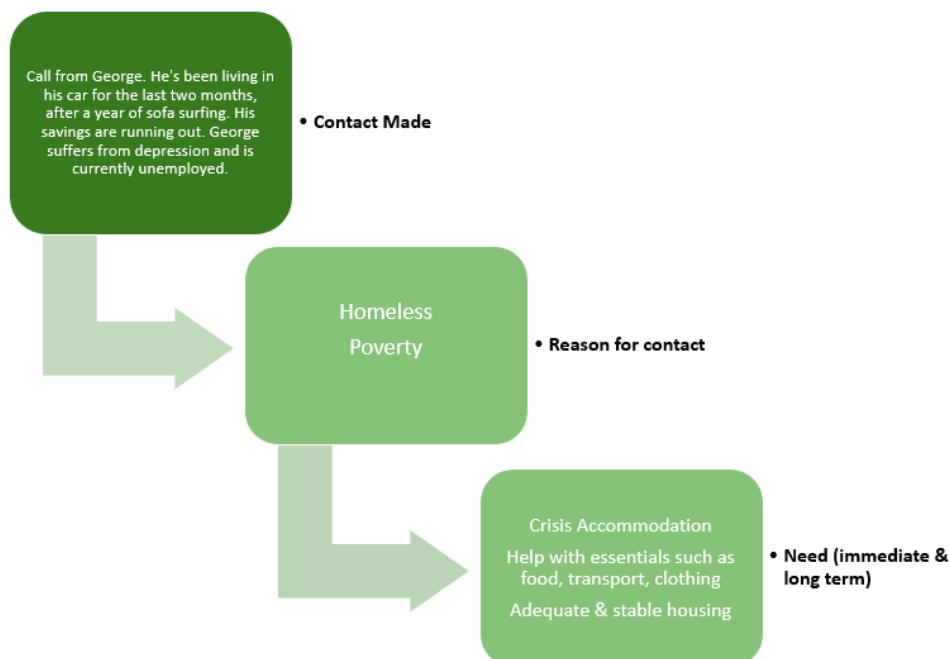
While these considerations suggest that the attribution rate may be relatively high, this remains an area of uncertainty. As noted above, this is a difficulty that often arises when evaluating interventions targeting homelessness. In addition, the value of pre-2022/23 costs is uncertain. Over time, however, Veterans Aid will be able to develop a more comprehensive view of the full 'lifecycle' costs of the support provided to veterans as it adds further data to its client database, which will assist future evaluations.

5 Appendices

5.1 Pathways in and out

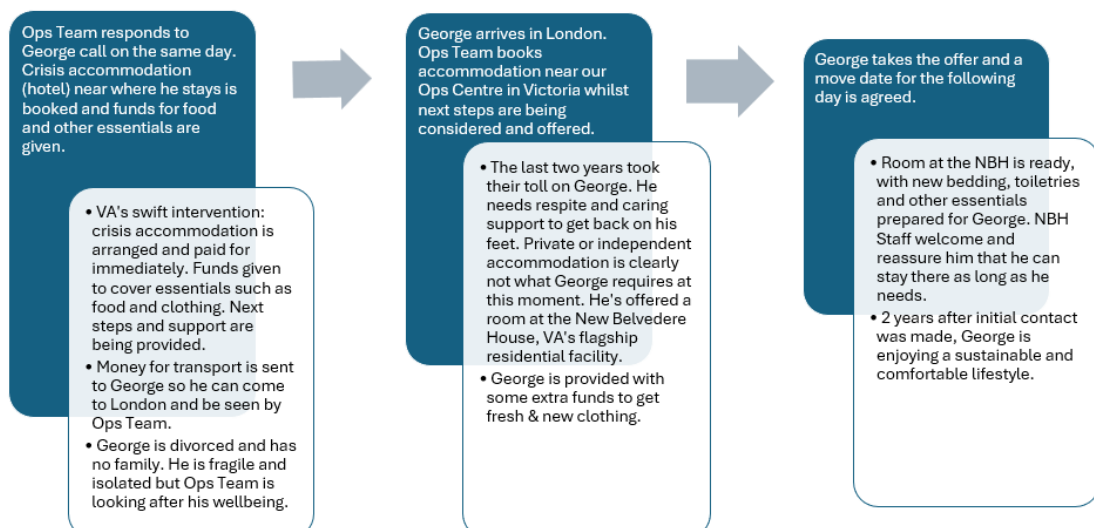
VA's holistic support services create clear pathways out, where clients receive appropriate interventions across key areas - such as homelessness prevention, structured treatment programs for substance misuse, mental health support services, employment assistance that transitions them from benefits to work, and educational opportunities leading to NVQ Level 2 or 3 qualifications and so on. The following examples track typical pathways—into services, the client's journey, and the outcomes following successful interventions.

Figure 11: Pathway in: Metric 1 Homelessness application – average one-off and on-going costs associated with statutory homelessness.



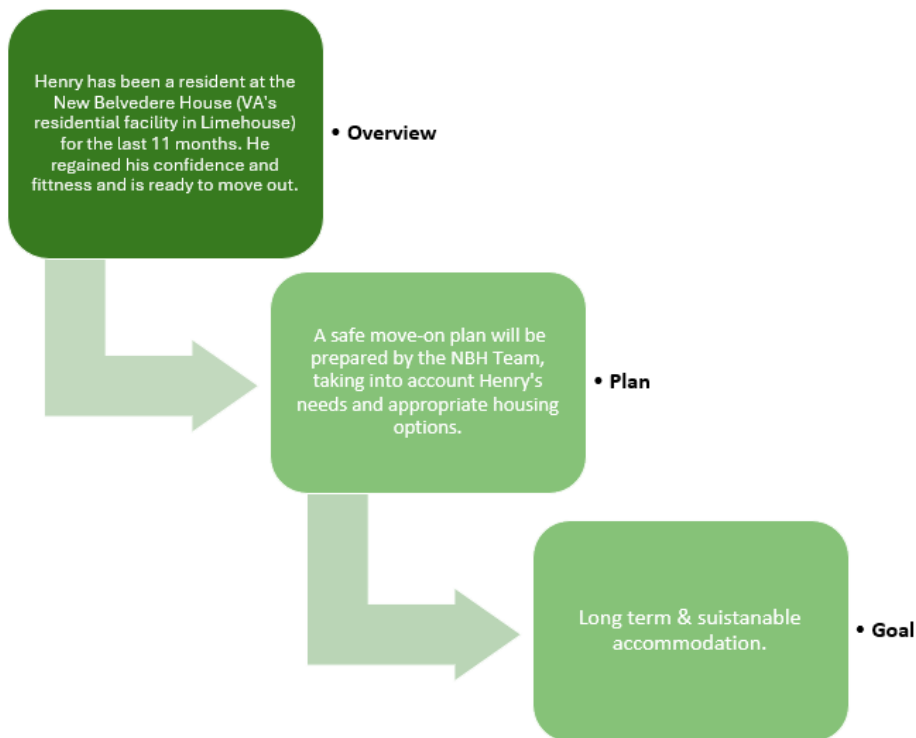
Source: VA

Figure 12: Pathway out: Metric 1 Homelessness application – average one-off and on-going costs associated with statutory homelessness.



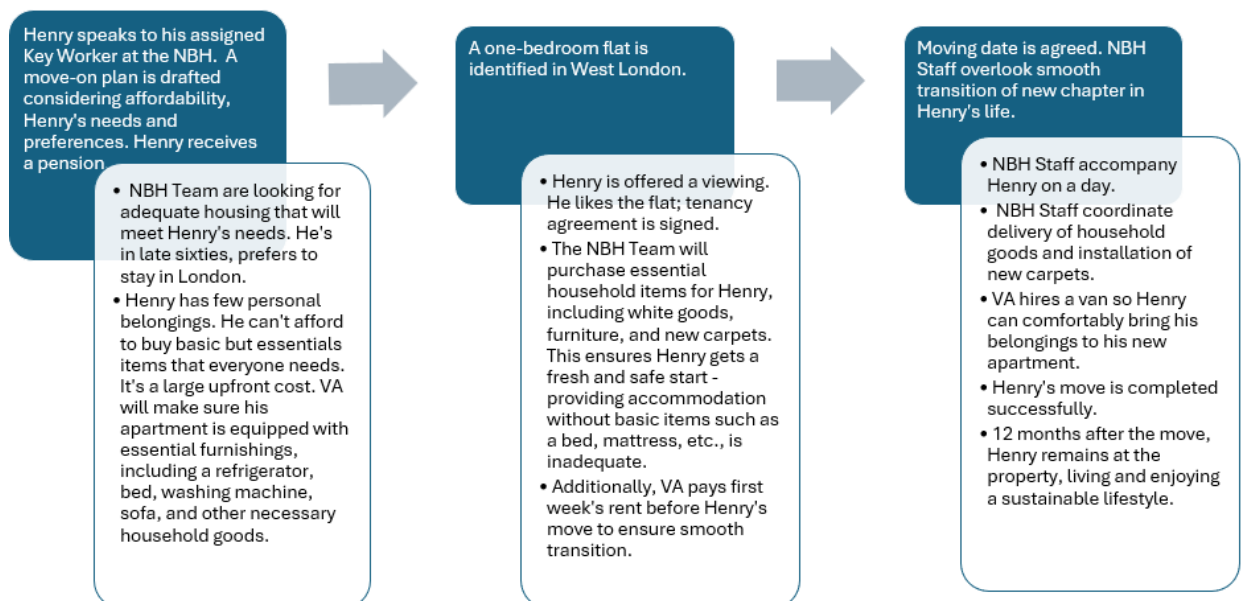
Source: VA

Figure 13: Pathways in: Metric 2. Homelessness advice and support – cost of a homelessness prevention or housing option scheme that leads to successful prevention of homelessness.



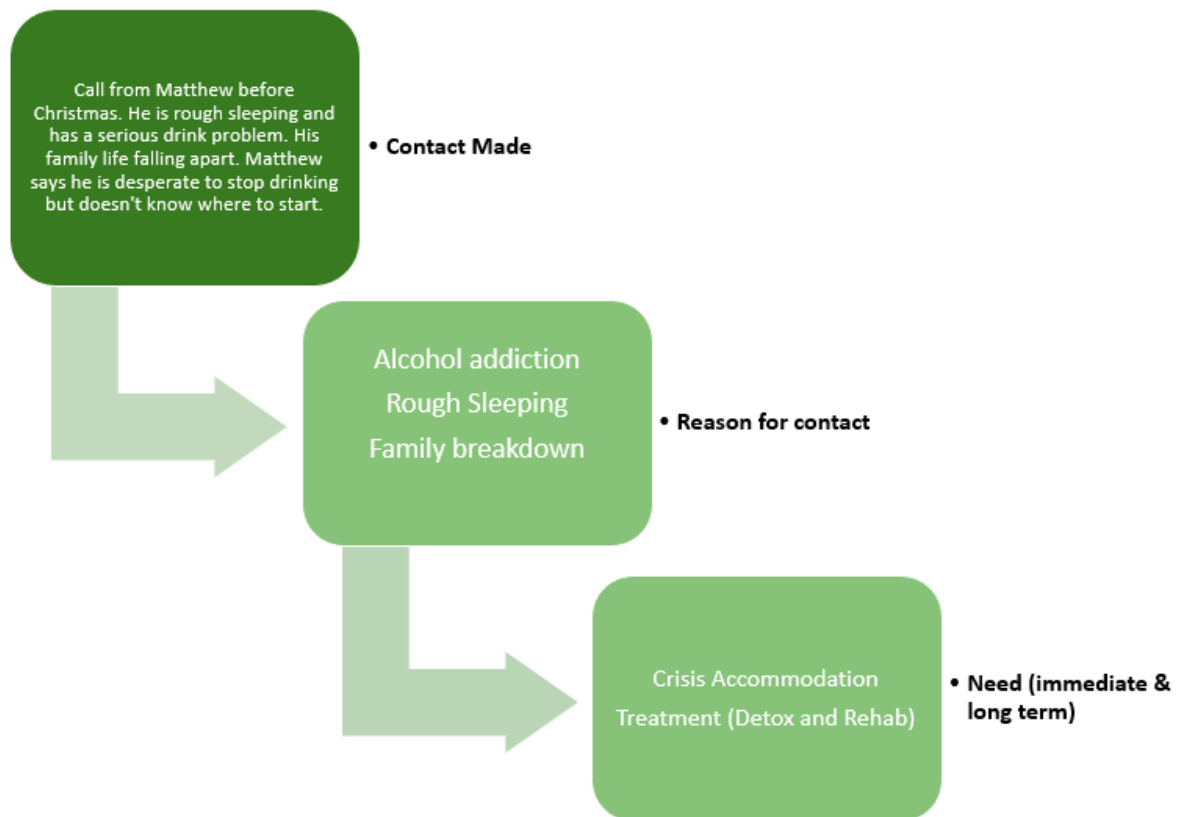
Source: VA

Figure 14: Pathways out: Metric 2. Homelessness advice and support – cost of a homelessness prevention or housing option scheme that leads to successful prevention of homelessness.



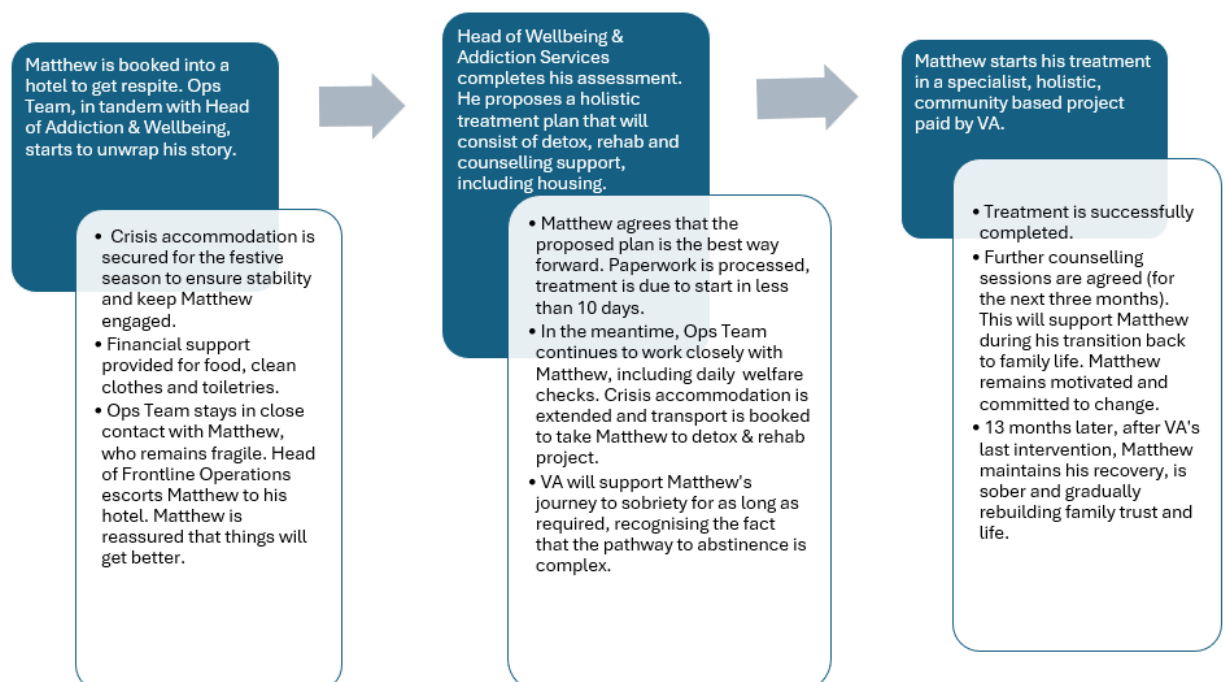
Source: VA

Figure 15: Pathways in: Metric 3 Alcohol misuse - estimated annual cost to the NHS of alcohol dependency, per year per dependent drinker.



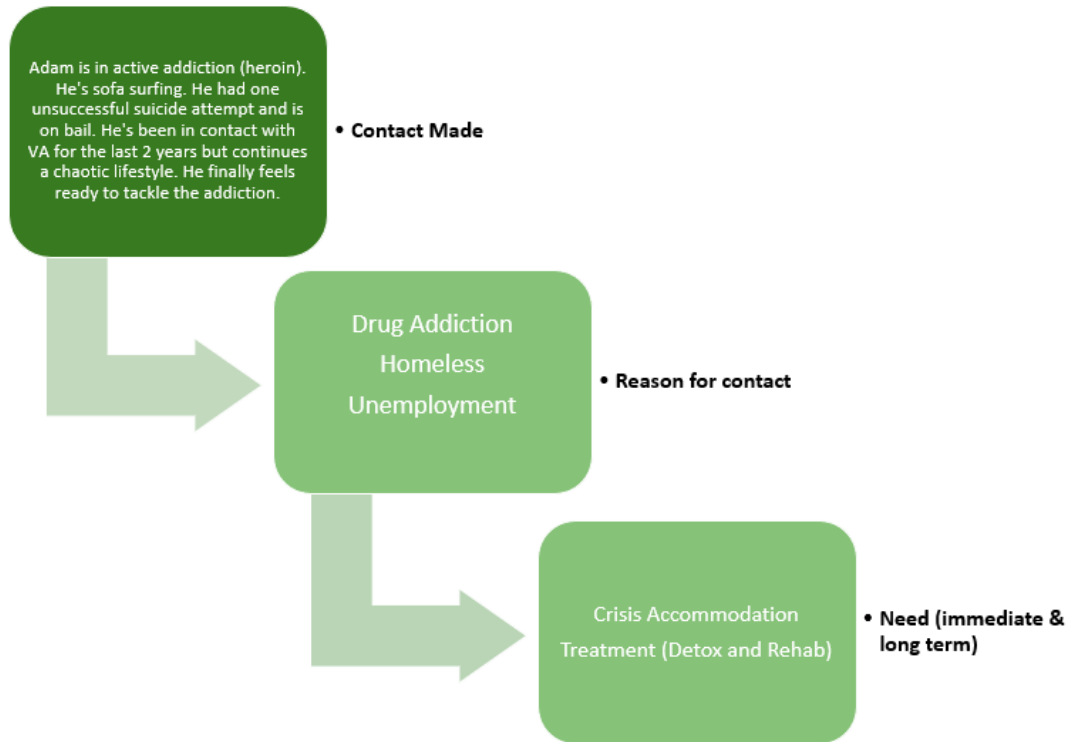
Source: VA

Figure 16: Pathways out: Metric 3 Alcohol misuse - estimated annual cost to the NHS of alcohol dependency, per year per dependent drinker.



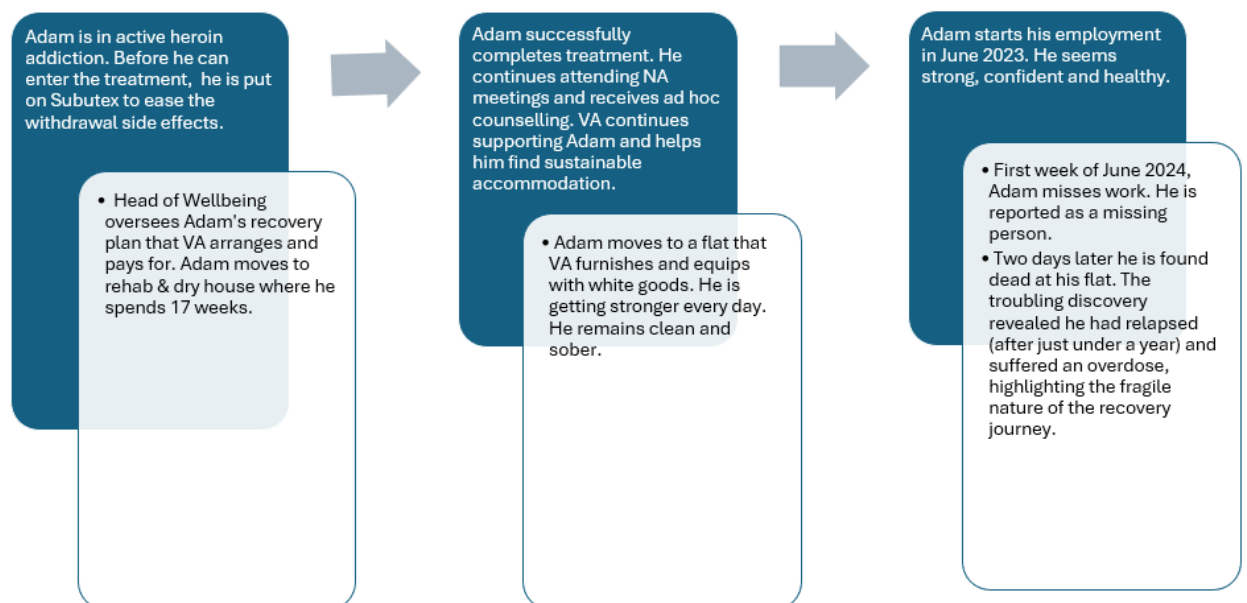
Source: VA

Figure 17: Pathway in: Metric 4 Drug misuse – average annual savings resulting from reductions in drug-related offending and health and social care costs as a result of a structured, effective treatment programme.



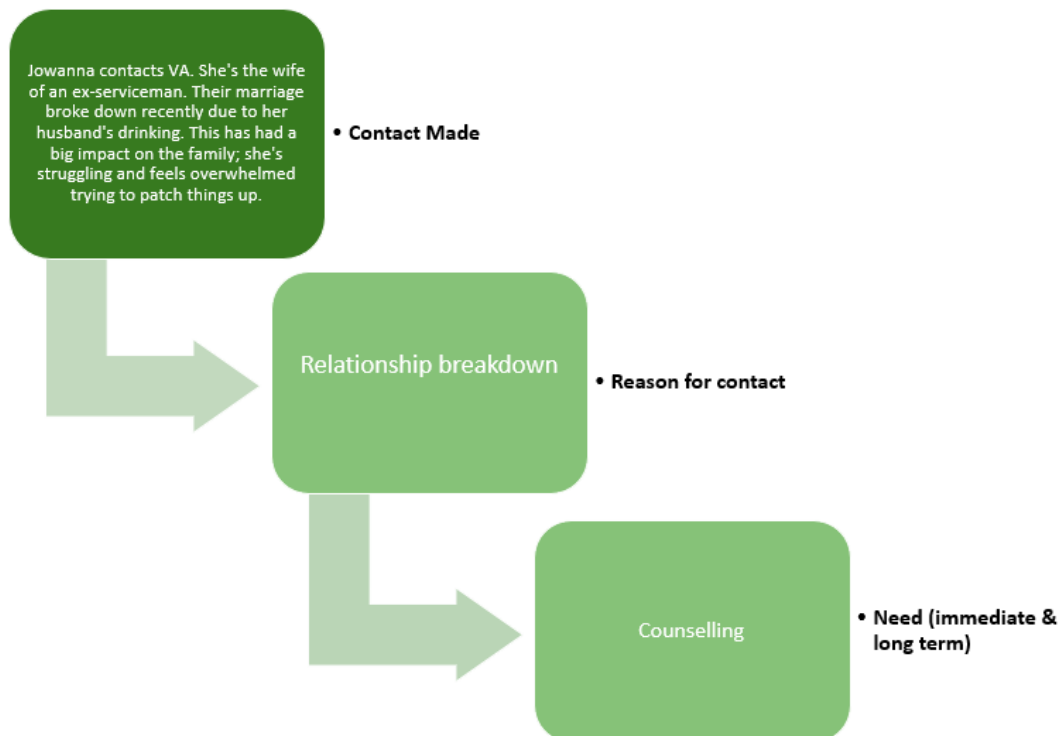
Source: VA

Figure 18: Pathway out: Metric 4 Drug misuse – average annual savings resulting from reductions in drug-related offending and health and social care costs as a result of a structured, effective treatment programme.



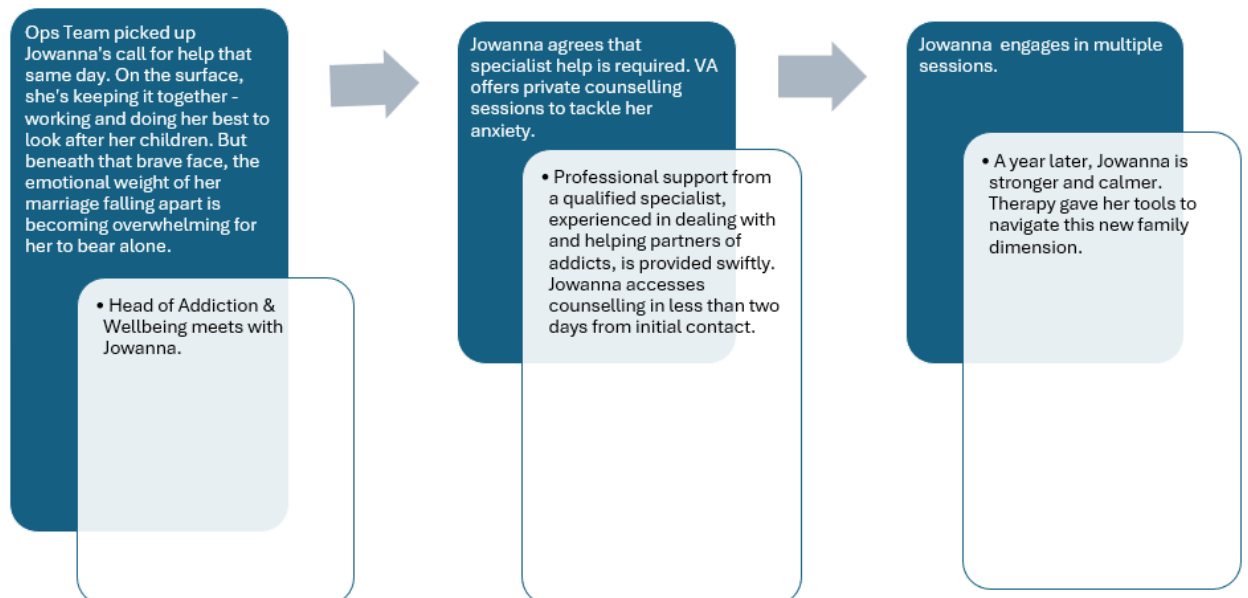
Source: VA

Figure 19: Pathway in: Metric 5 Average cost of service provision for adults suffering from depression and/or anxiety disorders, per person per year.



Source: VA

Figure 20: Pathway out: Metric 5 Average cost of service provision for adults suffering from depression and/or anxiety disorders, per person per year.



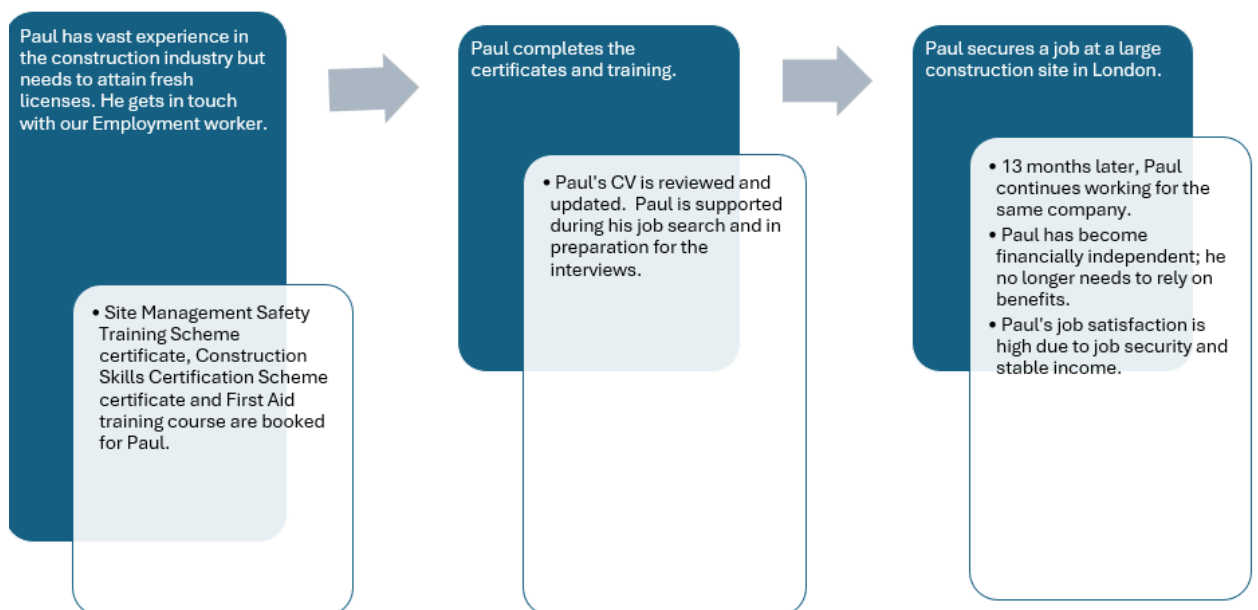
Source: VA

Figure 21: Pathway in: Metric 6 Job Seeker's Allowance: Fiscal and economic benefit from a workless claimant entering work.



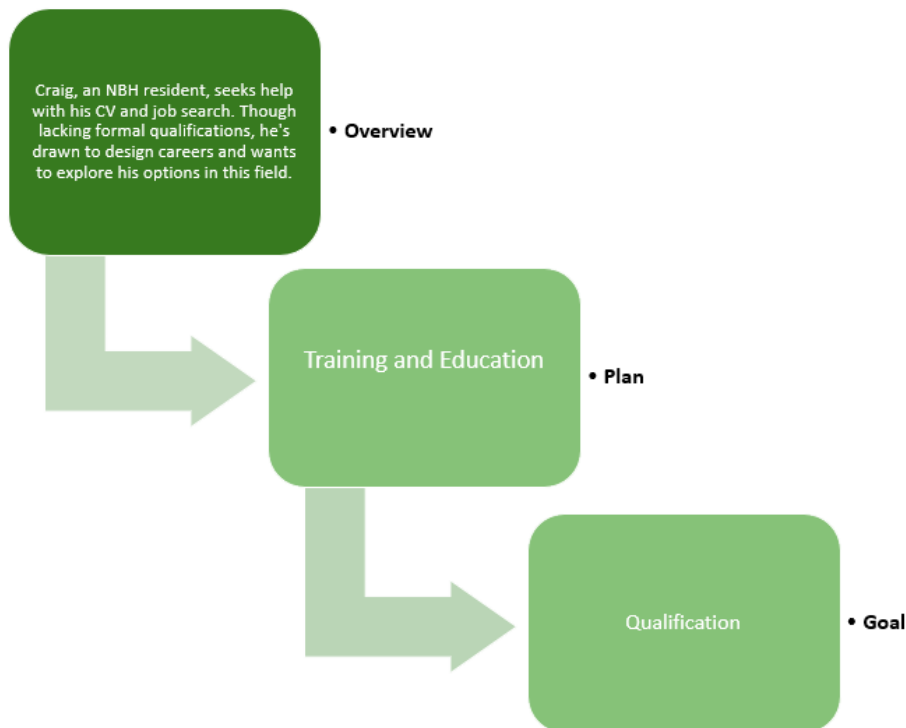
Source: VA

Figure 22: Pathway out: Metric 6 Job Seeker's Allowance: Fiscal and economic benefit from a workless claimant entering work.



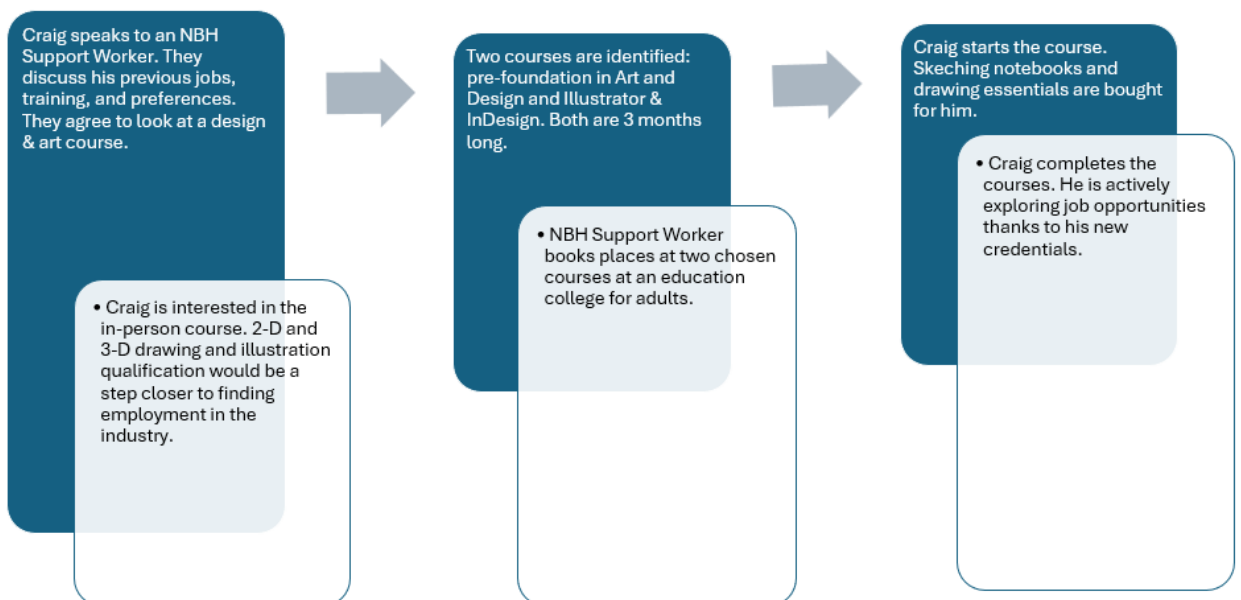
Source: VA

Figure 23: Pathway in: Metrics 7 NVQ Level 2 Qualification - annual fiscal and economic benefits [Training] & NVQ Level 3 Qualification - annual fiscal and economic benefits



Source: VA

Figure 24: Pathway out: Metrics 7 NVQ Level 2 Qualification - annual fiscal and economic benefits [Training] & NVQ Level 3 Qualification - annual fiscal and economic benefits



Source: VA

5.2 Criteria used to define successful interventions

Veterans Aid carries out a follow up call with veterans once 6 months has elapsed since they last sought help on an issue, such as securing employment or crisis accommodation. The follow up call is used to assess whether the intervention resulted in an outcome that has been maintained at the time of the follow up call.

Table 4 sets out the criteria applied by Veterans Aid to determine whether an intervention is deemed to be successful. For example, if the veteran sought help to secure crisis accommodation, the criterion for a successful outcome is whether the individual is either in the same accommodation or has moved to a different accommodation. When it is not possible to contact a veteran at the follow-up the success of the intervention is recorded as uncertain.

Table 4: Criteria used to define successful outcome

Intervention type	Criteria for successful outcome
Crisis accommodation	In the same accommodation Moved but not homeless Moved abroad Overall stable and confident Working part time Working full time Treatment project
Prevention of homelessness	Overall stable and confident Moved abroad Working full time Accommodation Training course Working part time In the same accommodation Moved but not homeless
Support to address alcohol dependency	Completed treatment - Currently abstinent Completed treatment - Relapsed but returned to abstinence
Support to address drug dependency	Completed treatment - Currently abstinent Completed treatment - Relapsed but returned to abstinence
Support to access mental health treatment	Alienated but stable Overall stable and confident Troubled but stable
Support to secure employment	Working full time Working part time Studying Training course

Source: CE and Veterans Aid analysis

5.3 UCD estimates of value of outcomes

Table 5 shows the estimated values in the UCD that we have used for the intervention areas included in the client sample.¹² The first two columns show the intervention areas and the corresponding outcome

¹² <http://www.neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>.

in the Unit Cost Database (UCD). The next three columns show the estimates in the UCD for the three different types of value that are provided in the UCD:

- Fiscal value: these are costs or savings to the public sector. Note that these estimates do not include transfer payments such as tax or social security benefits.
- Economic value: net increase in earnings or growth in the local economy.
- Social value: wider gains to society such as improvements to health; educational attainment, housing etc.

The estimates in the table represent amounts per person per annum. Estimates are expressed in 2022/23 prices in the table.

Table 5: UCD estimates of value of outcomes (2022/23 prices)

Veterans Aid intervention	UCD Description	Fiscal value	Economic value	Social value
Crisis accommodation	UCD reference H.030 One-off and on-going costs associated with statutory homelessness	£3,189		
Prevention of homelessness	UCD reference H.050 Cost of a homelessness prevention or housing options scheme	£819		
Support to address alcohol dependency	UCD reference HE1.0 Cost to the NHS of alcohol dependency, per year per dependent drinker	£2,334		£1,812
Support to address drug dependency	UCD reference HE2.0 Savings from reduction in drug-related offending and health and social care costs	£4,351	£10,779	£4,591
Support to access mental health treatment	UCD reference HE11.0 Cost of service provision for adults suffering from depression and/or anxiety disorders	£1,125	£5,208	
Support to secure employment	UCD reference E1.0 Fiscal and economic benefit from a workless claimant entering work	£14,395	£19,812	
Support to secure employment	UCD reference E&S10.0 NVQ Level 3 Qualification	£654	£1,174	
Support to secure employment	UCD reference E&S5.0 NVQ Level 2 Qualification	£105	£565	

Source: Greater Manchester Combined Authority's Unit Cost Database (UCD)