



A Hole in my Bucket?

How spending decisions impact on the wealth and wellbeing of our communities

19th October 2023

Partners:



What is a Small Support Organisation?

Supporting people with complicated lives, traumatic life histories, experiences of institutionalisation and complicated support needs

Supporting people 'to move out of / or at risk of being placed in', a secure/forensic long-stay institution

- The person and their loved ones are at the centre
- A team of people recruited to support the person
- A home of their own
- Investment in positive and supportive relationships
- A person-centred approach to safeguarding and risk
- Great outcomes for people and families
- **Investing in the local area**



The Bucket The Holes The Question

“Imagine your economy as a bucket. The money that comes into your area will flow straight out again if there are many holes in the bucket. A full bucket means that local people have enough money to be able to buy what they need for a good quality of life. But if your bucket is leaky then to fill the bucket you will need to pour the money in at a faster rate than it is pouring out. So, there are two strategies to fill a bucket – you can pour in the money faster, or you can slow down its leakage by plugging some of the leaks.”

Plugging The Leaks (NEF), 2001



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The Economic Value of Care in Our Society



- Skills for Care Estimated Gross Value Added (GVA) of Adult Social Care as **£25.6 billion**.
- When you include the Multiplier Effects it was calculated that Adult Social Care generates in the region of **£50.3 billion** of economic activity
- The Sector is a larger contributor to the economy than:
 - Electricity and Power
 - Water & Waste Management
 - Twice the size of Agriculture
- Large employer **in all areas of the country** and accounts for 5% of all jobs.

Value of Local

'The problem is not necessarily that too little money flows into a neighbourhood. Rather it is what consumers, public services and businesses do with that money. Too often it is spent on services with no local presence, and so immediately leaves the area.'

The Government's National Strategy for Neighbourhood Renewal



What if the money invested and spent in Social Care stayed local, that more of it went to local staff and suppliers? The immense value of social care would not escape so quickly from the local economy without changing hands within the community and enriching it.



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Our Approach

The Local Multiplier Effect (LM3)



LM3 is an indicator of effectiveness of an initial investment, tracking the length of time it remains within a defined economic area, and the amount of additional work that it leverages.

The LM3 ratio, which itself represents how much money is held within the local area, can be shown to correlate positively with increases in the local well-being and social value outcomes as communities themselves thrive with greater investment.

Using LM3 we track our painted pound coins as they change hands three times:

 **ROUND 1:** What the initial investment is made with the Small Support; and in turn,

 **ROUND 2:** How the Small Support spends its money with local and non-local staff and/or suppliers; and

 **ROUND 3:** How those staff and suppliers spend this money within and without of the locally defined area.

Multiplier Example

ROUND	80% of Initial Money Remains Local		50% of Initial Money Remains Local		20% of Initial Money Remains Local	
	Invested	Re-spent	Invested	Re-spent	Invested	Re-spent
1	£10.00	£8.00	£10.00	£5.00	£10.00	£2.00
2	£8.00	£6.40	£5.00	£2.50	£2.00	£0.40
3	£6.40	£5.12	£2.50	£1.25	£0.40	£0.08
4	£5.12	£4.10	£1.25	£0.63	£0.08	£0.02
5	£4.10	£3.28	£0.63	£0.31	£0.02	£0.00
6	£3.28	£2.62	£0.31	£0.16	£0.00	
TOTAL VALUE	£36.90		£19.69		£12.50	

LM3 Ratio
= 2.4

LM3 Ratio
= 1.75

LM3 Ratio
= 1.24



(Round 1 + Round 2 + Round 3)



Round 1

An LM3 Score above 1.50 would indicate that that the investment is generating more than half of its value again into the local economy.



Our Approach



Our Approach

The Business Spending Survey:

To collect the data required for Round 1 and Round 2 questions were asked around income and expenditure, with a standard supplementary question asking for the proportion / percentage of the expenditure value which was spent within the defined local area.

The Personal Spending Survey:

The fact that care and support requires people to create its product, we knew the staff personal spending survey would be a significant element of the data collection.

Questions were asked about personal expenditure with a standard supplementary question asking for the proportion / percentage of the expenditure value which was spent within the defined local area.



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Findings



(Round 1 + Round 2 + Round 3)

= 1.69

Round 1

This states that for every £10.00 invested in care and support through Small Supports generates an additional £6.90 pence of value to the local economy.



Discussion Points



With “local” supermarkets, chain pubs and online shopping, our communities have fewer and fewer options to spend their money locally by default.



How might we seek to improve the score, given that even a 1% change in the amount of Care and Support money spent locally can make a huge difference to our communities.



- Are the models of larger supports, where proportions of the initial investments go to profits or hedge funds are truly the sorts of models that maximise the investment in our local communities?






- Are commissioning decisions based on price alone, without consideration of added local re-spending are truly value for money?



- Small Supports, along with other hyperlocal spending of the money for Care and Support such as Direct Payments

Conclusions



-  People at the heart of Care and Support: those with Care Needs and their families should be celebrated and treated like the important economic actors that they are, and supported to make decisions which will ultimately benefit their entire community, rather than seen as just recipients of public monies.
-  Social Care is a huge employer and an area of our economy that is larger than agriculture or power companies in terms of its contribution to the national economy. Whatever vehicles we can use to ensure that this expenditure filters down to the quality of care and to the communities in which people live, rather than being syphoned off to profits and hedge funds can enrich the lives of those for whom that investment was intended.
-  Small Supports appears to be a very capable approach to quality care and economic value for all involved.

"Storytelling is the most powerful way to put ideas into the world today." Robert McKee

Stories provide powerful insights that challenge our perceived view of what we do and how we do it successfully.

Sam Smith, CEO, C-Change (Small Supports partner), shares experiences, stories and testimony from people now being supported by Small Supports organisations.



Online

12-1 pm, Thursday, Thursday 23 November



Thank you!

19th October 2023

Partners:

