



Value for Money Resources – update Sept 2010

This listing of improvement resources has been developed through the course of IEWM work with local authorities and partnerships, concentrating in particular on materials which can assist partners in strengthening their approaches, strategically and operationally, to assessing financial costs and benefits in planning and commissioning, business case preparation, options appraisal, evaluation, etc.

Section 1 provides some general references, while Section 2 covers themes such as Children, Young People and Families, Community Safety, Employment & Economic Inclusion, Health and Social Care. Amongst the latter are methods appropriate to a range of cross-cutting priorities, and often cast light on some of the trickier problems in quantifying costs and benefits in financial terms. The state of the art in gathering cost data and valuing benefits is underdeveloped – so many of these materials come with health warnings. However, they indicate some of the evidence that is available and approaches that can be adopted.

1. General references

Delivering Efficiency: Understanding the Cost of Local Government Services (CLG, 2008) includes treatment of Activity Based Costing (ABC), which starts with activities rather than with resources apportioned to department or teams and calculates the resources consumed by these. Costs are assigned and can then be converted into costs for an end-to-end process. www.communities.gov.uk/documents/localgovernment/pdf/730431.pdf

Getting more for less: efficiency in the public sector (Demos, 2009) reviews current thinking and practice on efficiency and advocates personalisation, preventative and collaborative solutions as keys to gains in effectiveness, with greater efficiency following as a consequence. Suggests wider use of techniques to establish savings for *other* parts of the public sector from preventative interventions, and modelling impacts and costs *in the absence of* proposed interventions. www.demos.co.uk/projects/redefiningefficiency

Green Book: Appraisal and Evaluation in Central Government (HM Treasury, 2003) - provides guidance on economic assessments of the social costs and benefits of all new government policies projects and programmes http://www.hm-treasury.gov.uk/data_greenbook_index.htm Detailed departmental guidance www.hm-treasury.gov.uk/data_greenbook_detguidance.htm

Innovation and value: new tools for local government in tough times (Young Foundation, 2010) – includes a '12 economies framework' for use in determining when and where to aim for 'more for less' – or 'less for less' <http://www.youngfoundation.org/publications/reports/innovation-and-value-new-tools-local-government-tough-times-march-2010>

Radical efficiency: Different, better, lower cost public services (NESTA, 2010) presents arguments and case studies involving new perspectives on old problems to deliver much better public outcomes for much lower cost http://www.nesta.org.uk/home/assets/features/radical_efficiency

Unintended consequences: how the efficiency agenda erodes local public services and a new public benefit model to restore them (New Economics Foundation, 2007). Argues that centrally driven financial efficiency savings targets, combined with a drive towards greater competition, erode the effectiveness of local public services, with a focus short term costs rather than longer term outcomes for service users. Sets out the case for efficiencies to be gained by small-scale rather than ever-larger contracts, co-production with

service users and outcomes frameworks which incorporate measures of social return on investment. www.neweconomics.org/gen/z_sys_PublicationDetail.aspx?pid=248

Corporate initiatives

Front Office Shared Services: Developing the business case (Local Government Delivery Council, 2009) - provides advice on preparing a business case for collaborative projects involving front office services, potentially across partner organisations www.idea.gov.uk/idk/core/page.do?pagelid=9995215

Shared Services Toolkit (Cabinet Office, 2008) www.cabinetoffice.gov.uk/cio/shared_services/toolkit.aspx Includes a business case financial checklist at www.cabinetoffice.gov.uk/media/142747/bc_fin_checklist.pdf

Value for money in public corporate services: guidance from the inspectorates on measuring performance (eg, in procurement, HR and finance functions) (Public Audit Forum, 2007-2010). Includes updated indicators for 2009/10. www.public-audit-forum.gov.uk/publicat.htm

Geographical dimensions to VfM

VfM and neighbourhood service delivery

Measuring Public Services at a Neighbourhood Level: toolkit on 'Using Data to Improve Services' and 'Lessons and Challenges' report (National Neighbourhood Management Evaluation, 2008) www.sqw.co.uk/nme/reportdownloads.htm

Neighbourhood management: financial costs, benefits and value for money (prepared for the Kendray Initiative and Barnsley Council) www.educe.co.uk/index.php?option=com_content&view=article&id=289:value-for-money-a-neighbourhood-management&catid=77:evaluation&Itemid=77

Rough guide to neighbourhood management (National evaluation action learning set report, 2007) www.sqw.co.uk/nme/downloads/RoughGuide-to-NM.pdf includes treatment of cost-effectiveness

VfM and rural service delivery

Obstacles to using and providing rural social care (SCIE, 2007) www.scie.org.uk/publications/briefings/briefing22/index.asp

Research into the diseconomies of scale in delivering health and social care in rural areas (Social Exclusion Task Force, 2009) www.cabinetoffice.gov.uk/media/221437/rural_costs_finalv2.pdf

Review of the evidence on additional costs of delivering services to rural communities (Defra, 2004) www.defra.gov.uk/rural/pdfs/research/secta_rural_communities.pdf

Social return on investment

Social Return on Investment Guide (SROI UK for Office for the Third Sector) - intended to help third sector organisations articulate the added social and environmental value they create and also help underpin the thinking of commissioners and investors in a standardised way that is easy for all to understand. www.sroi-uk.org/content/view/5/65/ Related guidance for commissioners too.

SROI Database - provides quick access to possible sources of evidence/ costings for use in SROI calculations (applications include, eg, moving from unemployment into work, reducing homelessness, changing patterns of behaviour, reducing costs of waste management) <http://www.sroiproject.org.uk/sroi-database.aspx>

Measuring social value: The gap between policy and practice (DEMOS, 2010) reviews tool & practices in measuring social value (including SROI), and actions needed by third sector organisations and funders.
http://www.demos.co.uk/files/Measuring_social_value_-_web.pdf?1278410043

2: Key Outcome Areas

Children, young people and families

Cost benefit analysis of interventions with parents - Literature Review (DCSF, 2007)

<http://www.education.gov.uk/research/programmeofresearch/projectinformation.cfm?projectid=14874&resultspage=1>

Cost-effectiveness resources (C4EO, 2010) includes an outline model, cost and outcomes web-based template, examples of effective local practice with costs <http://www.c4eo.org.uk/costeffectiveness/>

Early Intervention City – website dedicated to Nottingham City Council’s mission (“early intervention, pre-emption and prevention”). The Early Intervention Programme aims to break cycles of intergenerational underachievement and deprivation experienced by some children, families and adults.

www.nottinghamcity.gov.uk/index.aspx?articleid=303

Effectiveness of interventions to address health inequalities in the early years: a review of relevant literature (Scottish Government, 2008). Includes a summary of findings on the costs and benefits of early intervention www.scotland.gov.uk/Publications/2008/07/08102811/0

Sure Start Children’s Centres - Financial benchmarking to ensure value for money (DCSF, 2009) – report scoping a benchmarking system for Children’s Centres, in response to NAO criticisms of limited understanding of delivery costs and how best to allocate resources

www.dcsf.gov.uk/research/programmeofresearch/projectinformation.cfm?projectid=15739&resultspage=1

Parenting Early Intervention Pathfinder Evaluation (DCSF, 2008)

www.dcsf.gov.uk/research/programmeofresearch/projectinformation.cfm?projectid=14941&resultspage=1

Family interventions

Anti-Social Behaviour Family Intervention Projects - Monitoring and Evaluation (DCSF, 2009)

<http://www.dcsf.gov.uk/research/programmeofresearch/projectinformation.cfm?projectId=15883&type=5&resultspage=1>

Evaluation of intensive family support projects in Scotland (Scottish Government, 2009) includes treatment of cost effectiveness, providing costs per family month and per closed case and using ‘cost consequences’ methodology which identifies and tabulates all relevant costs along with the possible consequences, without necessarily placing a financial value on all of the latter. Annex 3 explains the methodology and reviews evidence from pilot projects in Scotland.

www.scotland.gov.uk/Publications/2009/05/14121100/0

Evaluation of the Working for Families Fund (2004-2008) (Scottish Government, 2009)

<http://www.scotland.gov.uk/Publications/2009/04/20092521/0>

Family savings calculator (DfE, 2010) – a tool to help local authorities who are managing intensive support services for families with multiple problems, to quantify the cost benefits saved by services and agencies from a family at risk undergoing and successfully completing an intensive intervention. Also a guide,

Intensive Support for Families with Multiple problems: the business case. Both use the Think Family Toolkit listing of data on public service costs (see below) <https://registration.livegroup.co.uk/fip/>

Interventions to improve the coordination of service delivery for High Cost High Harm Household Units (EPPI-Centre, 2007) - critical of methodologies across early evaluations, few of which included cost-effectiveness analyses <http://eppi.ioe.ac.uk/cms/Default.aspx?tabid=2313>

Think Family Toolkit: Improving support for families at risk (DCSF, 2009)

<http://publications.teachernet.gov.uk/default.aspx?PageFunction=productdetails&PageMode=publications&ProductId=DCSF-00685-2009&> Guidance Note 3, Evidence for Think Family, includes an annex, **Estimating Family Intervention Projects' value for money** which pulls together data on the costs to public services of (eg, in relation to demands on health and care services and criminal justice).

<http://publications.teachernet.gov.uk/eOrderingDownload/Think-Family03.pdf>

Child poverty

Costs of child poverty for individuals and society (JRF, 2008) www.jrf.org.uk/publications/costs-child-poverty-individuals-and-society-literature-review

Estimating the costs of child poverty (JRF, 2008) www.jrf.org.uk/publications/estimating-costs-child-poverty

Estimating the cost of child poverty in Scotland: approaches and evidence (Scottish Government, 2008) www.scotland.gov.uk/Publications/2008/01/28111819/0

Public service costs of child poverty (JRF, 2008) www.jrf.org.uk/publications/public-service-costs-child-poverty

Children's care

Cost calculator for children's services www.cfcfs.org.uk/ Originally developed in relation to looked-after children and subsequently widened to cover all types of children in need. Developed by a partnership between Loughborough University and Coventry CC

www.lboro.ac.uk/research/cfcr/Research/Exploring%20costs%20and%20outcomes/educationcostscoventry.htm

Unit costs – not exactly child's play: a guide to estimating unit costs for children's social care (DH, 2000) www.pssru.ac.uk/pdf/B062.pdf

Climate Change

Making the business case for a carbon reduction project: How to win over the board and influence people (Carbon Trust, 2009) starts by asking questions about who makes the decisions and what they are looking for, then works through the steps of gathering data and evidence, building the case (including considerations of finance and risk), drafting and presenting the proposal. Includes an appendix on financial appraisal methods. www.carbontrust.co.uk/Publications/publicationdetail.htm?productid=CTV039&metaNoCache=1

Community Safety

Analysis of costs and benefits: guidance for evaluators - Crime Reduction Programme (Home Office, 1999) www.homeoffice.gov.uk/rds/pdfs/cdp1costeff.pdf

Analysis of Police Community Support Officer Activity Based Costing data: results from an initial review (Home Office, 2008) <http://police.homeoffice.gov.uk/community-policing/community-support-officers/>

Economic analysis of interventions for young adult offenders (Matrix Evidence for Barrow Cadbury Trust) http://www.bctrust.org.uk/pdf/Matrix_Economic_analysis_T2A.pdf

Economic and social costs of crime against individuals and households 2003/04 (Home Office, 2005)
+ Ongoing research programme – www.homeoffice.gov.uk/rds/ecom_soc_cost.html

Less crime, lower costs: implementing effective early crime reduction programmes (Policy Exchange, 2009) reviews evidence on early interventions in crime reduction, finding that cost-benefit research has been undertaken in the USA. Highlights cost-benefit conclusions where available. Refers to an early years intervention business case prepared by Birmingham City Council, which had to resort to this US evidence.
www.policyexchange.org.uk/images/publications/pdfs/Less_Crime_Lower_Costs.pdf

Lifelong learning and crime: an analysis of the cost-effectiveness of in-prison educational and vocational interventions (Inquiry into the Future of Lifelong Learning, 2009) – addresses the question. “is in-prison education a cost-effective use of public resources, and what types of intervention are most efficient for which offenders?” <http://www.niace.org.uk/lifelonglearninginquiry/docs/Public-value-paper-2.pdf>

Measuring inputs: guidance for evaluators - Crime Reduction Programme (Home Office, 2000)
www.homeoffice.gov.uk/rds/pdfs/cdp3inputs.pdf

Misspent youth: the costs of truancy and exclusion – a guide for donors and funders (New Philanthropy Capital, 2007)
www.philanthropycapital.org/research/research_reports/education/Truancy%20and%20exclusion/truancy_and_exclusion_cost.aspx

Moving up a gear: next steps for DIP [Drug Intervention Programme] (Home Office, 2009) Includes cost data on drug tests and drug user case management, relative to savings in crime reduction
<http://drugs.homeoffice.gov.uk/publication-search/dip/moving-up-a-gear>

Prison Break: Tackling recidivism, reducing costs – Social Market Foundation (2010)
<http://www.smf.co.uk/prison-break.html>

Reducing Burglary Initiative: an analysis of costs, benefits and cost-effectiveness (Home Office, 2004) www.crimereduction.homeoffice.gov.uk/burglary/burglary73.htm

St Giles Trust's Through the Gates: an analysis of economic impact – valuation of the economic and social benefits for a programme to reduce re-offending. (St Giles Trust is leading in the introduction of Social Impact Bonds, where the public sector pays for performance against outcomes achieved with set-up and running costs funded by the private sector or social investors).
http://www.stgilestrust.org.uk/News/446435/economic_study_shows_support_for_prison_leavers_cuts_crime.html

Community engagement & cohesion

Economic Case for Cohesion (CLG, 2009) summarises evidence and approaches to estimating the benefits of community cohesion which can be costed, especially in relation to reduced crime rates, drawing on research for the Home Office. Estimates the savings associated with a 1% improvement in reported 'sense of community'. The greatest gains are to be had from impacts on levels of violent crime. Explains caveats www.communities.gov.uk/publications/communities/economiccasecohesion

The true costs of participation (Involve, 2005) framework and research into the costs and benefits of participation http://www.involve.org.uk/the_true_costs_of_public_participation/

Employment & economic inclusion

Counting the Cost: a Worklessness Costs Audit for London (London Councils, 2010)
<http://www.londoncouncils.gov.uk/London%20Councils/2LondonCouncilsWorklessnessCostAuditmainreportFina.pdf>

Cost-benefit analysis of Pathways to Work for new and repeat incapacity benefits claimants (DWP, 2008) http://campaigns.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_498.asp

Costs of Unemployment (TUC, 2010) <http://www.tuc.org.uk/extras/costsofunemployment.pdf>

Economic benefits of digital inclusion: building the evidence (UK Online Centres, 2008)
www.ukonlinecentres.com/corporate/images/stories/downloads/economic%20benefits%20of%20digital%20inclusion%20-%20building%20the%20evidence.pdf

Evaluation of the Family Employment Initiative (Coalfields Regeneration Trust, 2010) <http://www.coalfields-regen.org.uk/docs/199.pdf>

Evaluation of the New Deal for Disabled People: The cost and cost-benefit analyses (DWP, 2007)
http://campaigns.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_431.asp

Evaluation of StepUP Pilot: Final Report (DWP, 2006) - a pilot programme offering a guaranteed job to Jobseeker's Allowance customers who remained unemployed and on benefit after participating on the New Deal http://campaigns.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_337.asp

Financial inclusion initiatives: economic impact and regeneration in city economies – the case of Leeds (Leeds City Council, 2009)
http://www.leeds.gov.uk/Advice_and_benefits/Community_advice/Financial_inclusion_project_Research_2009_on_Economic_impact_of_initiatives.aspx

Long-term sickness absence and incapacity for work (NICE National Costing Report, 2009)
www.nice.org.uk/PH19

Measuring the cost-effectiveness of worklessness interventions (WMRO, 2010 for IEWM) – reviews the literature on evaluating cost-effectiveness of worklessness interventions
<http://www.wmro.org/resources/res.aspx/CmsResource/resourceFilename/3288/evaluating-cost-effectiveness-of-worklessness-interventions.pdf>

Review of the DWP Cost Benefit Framework and how it has been applied (DWP, 2007)
http://research.dwp.gov.uk/asd/asd5/report_abstracts/wp_abstracts/wpa_040.asp

NEET young people

Against the odds: Re-engaging young people in education, employment or training (Audit Commission, 2010) http://www.audit-commission.gov.uk/localgov/nationalstudies/againsttheodds/Pages/default_copy.aspx

Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training (University of York for Audit Commission, 2010)
http://www.york.ac.uk/depts/spsw/research/neet/NEET_Final_Report_July_2010_York.pdf

The Cost of Exclusion: Counting the cost of youth disadvantage in the UK (Prince's Trust, 2007)
http://www.princes-trust.org.uk/about_the_trust/what_we_do/research/cost_of_exclusion.aspx

Health and Social Care

Health

Assessing the challenges of applying standard methods of economic evaluation to public health programmes (Public Health Research Consortium, 2005) - review of the literature on the economic evaluation of public health interventions, taking account of needs to capture impacts on populations/communities rather than specific individuals and on health inequalities.
http://www.york.ac.uk/phrc/D1-05%20Short%20Report%2012_03_08.pdf

Counting the cost: the measurement and recording of alcohol-related violence and disorder (Portman Group, 2002) www.sirc.org/publik/counting_the_cost.pdf

Does improving quality save money? A review of evidence of which improvements to quality reduce costs to health service providers (The Health Foundation, 2009)

http://www.health.org.uk/publications/research_reports/does_quality_save.html

Health economics resources (YHPHO) <http://www.yhpho.org.uk/default.aspx?RID=8471> The section on prioritisation frameworks includes material on **Programme Budgeting and Marginal Analysis** (PBMA), used in the NHS to assess resource allocation weigh up the added costs and benefits when resources are increased or deployed in new ways. These typically focus on high spending commissioning categories such as mental health, cardio-Vascular disease and cancer) and are designed to identify opportunities for improved value for money. disinvestment and reinvestment at the margins.

<http://www.yhpho.org.uk/default.aspx?RID=63821>.

Marmot review of health inequalities studies (2009)

* Assessing the potential or actual impact on health and health inequalities of policies aiming to improve Early Child Development in England

<http://www.marmotreview.org/AssetLibrary/pdfs/full%20tg%20reports/economic%20early%20child%20development%20full%20report.pdf>

* Cost of health inequalities: Policy case studies

<http://www.marmotreview.org/AssetLibrary/pdfs/economic%20costs/case%20studies.pdf>

* Estimating the costs of health inequalities

<http://www.marmotreview.org/AssetLibrary/pdfs/economic%20costs/overall%20costs.pdf>

* Benefits of reducing health inequalities

<http://www.marmotreview.org/AssetLibrary/pdfs/economic%20costs/economic%20analysis.pdf>

Measuring value for money in healthcare: concepts and tools (The Health Foundation, 2009)

http://www.health.org.uk/publications/research_reports/value_for_money.html

NICE Costing Tools (includes not only cost reports and templates for clinical conditions but also for drug misuse, obesity, violence, and workplace health interventions, etc)

http://www.nice.org.uk/usingguidance/implementationtools/costingtools/costing_tools.jsp

Paying the price: the cost of mental health care in England to 2026 (King's Fund, 2006)

http://www.kingsfund.org.uk/research/publications/paying_the_price.html

Public Health Interventions Cost Effectiveness Database (PHICED) database of bibliographic records including NICE guidance and costing templates, cost-effectiveness studies and decision tools relating to alcohol, obesity, physical activity and tobacco. <http://www.yhpho.org.uk/nphl/nphlresults.asp>

Societal costs of potentially preventable illnesses: rapid review (National Centre for Social Marketing, 2006) http://www.nsms.org.uk/images/CoreFiles/NSMC-R10_societal_costs.pdf

Valuing health: Developing a business case for health improvement (IDeA) includes summaries of how the review findings might impact on the budgets of local authorities and their partners as a result of health improvement initiatives <http://www.idea.gov.uk/idk/core/page.do?pagelId=15246382>

Social care

Benefits realisation: Assessing the evidence for the cost benefit and cost effectiveness of integrated health and social care (Turning Point, 2010) - systematic review of evaluations of integrated health, housing and care initiatives, including early intervention and structural integration <http://www.turning-point.co.uk/commissionerszone/centreofexcellence/Documents/Benefitsrealisation2010.pdf>

Better outcomes, lower costs: implications for health and social care budgets of investment in housing adaptations, improvements and equipment: a review of the evidence (Office for Disability Issues, 2007) www.odi.gov.uk/docs/res/il/better-outcomes-report.pdf

Business case for LinkAge Plus (DWP, 2009) Presents evidence from the national evaluation of partnership projects which promote well-being and independence amongst older people. Includes costed benefits from, eg, fire and crime prevention, and reduced falls associated with balance classes and home adaptations, with additional illustrations based on the experience of pilot projects.
http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_573.asp

Making a strategic shift to prevention and early intervention: a guide (DH, 2008) Guide based on the experience and evidence emerging from Partnership Projects for Older People. Includes advice on making the strategic shift and on commissioning, along with a very helpful appendix on financial planning and the use of economic appraisal methodology <http://www.dhcarenetworks.org.uk/Prevention/type/Resource/?cid=4421> Also related CSIP website <http://networks.csip.org.uk/prevention/>

Preventive social care: Is it cost effective? (King's Fund, 2006) – background paper of the Wanless Review on Social Care <http://www.kingsfund.org.uk/document.rm?id=8285>

Unit Costs of Health and Social Care 2009 (PSSRU) <http://www.pssru.ac.uk/uc/uc2009contents.htm>

Use of resources in adult social care: a guide for local authorities (DH, 2009)
http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_107596

Vulnerable groups

How many, how much? Single homelessness and the question of numbers and cost (Crisis & New Policy Institute, 2003) http://www.crisis.org.uk/policywatch/bkpage/files/howmanyhowmuch_full.pdf

Research into the financial benefits of the Supporting People Programme (CLG, 2009) - investigated the total costs of packages that involve Supporting People services and impacts in reducing adverse outcomes while also highlighting un-costed benefits
www.communities.gov.uk/publications/housing/financialbenefitsresearch

Supporting People financial benefits model documentation and user guide (CLG, 2009) designed to calculate the financial benefits of SP-funded services for different types of target group
www.communities.gov.uk/publications/housing/financialbenefitsguide