

Cost Benefit & Value for Money

Resources: Worklessness

This listing of on-line resources signposts content relevant to addressing value for money in the search for worklessness initiatives which achieve more for less. It concentrates 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, evaluation including wider social returns, etc.

It is not confined exclusively to 'worklessness' in that much of the focus of work now is on individuals and families with a mix of barriers to employment which can compound disadvantage.

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. Employment & economic inclusion

Resources

DWP Social Cost-Benefit Analysis framework: Methodologies for estimating and incorporating the wider social and economic impacts of work in Cost- Benefit Analysis of employment programmes (DWP, 2010) Working paper reviewing the main evidence on the social impacts of employment and employment programmes; using this to derive quantitative estimates of the associated social costs and benefits; and integrating these estimates into the existing CBA framework.

http://research.dwp.gov.uk/asd/asd5/report_abstracts/wp_abstracts/wpa_086.asp

DWP Worklessness Co-design – Interim Report (DWP, 2011) contains a 'light touch' *cost benefit framework for local partnerships* wishing to calculate the potential savings from collaborative approaches to tackling worklessness. It highlights some of the pitfalls and issues including the need for calculations to reflect the profile of beneficiaries and the probabilities of different outcomes; as well as the need to distinguish the nature of the exercise, whether concentrating on public expenditure costs and savings or going wider into measuring wider social costs and benefits. It includes some indicative figures and probabilities for use in calculations, and provides useful pointers in terms of robust methodology and evidence, consistent with DWP's Cost-Benefit Framework. These include – with caveats - treatment of benefits accruing from improve health and reduced crime.

<http://www.dwp.gov.uk/publications/policy-publications/worklessness-codesign.shtml>

LGID have worked with DWP to produce an evaluation checklist, based on this framework, to help practitioners build evaluation in from the outset of co-design or similar projects:

<http://www.idea.gov.uk/idk/core/page.do?pagelId=23548170>

Measuring the cost-effectiveness of worklessness interventions (WMRO, 2010 for IEWM) reviews the literature on evaluating cost-effectiveness of worklessness interventions and offers practical recommendations. Also appendix which pulls together links and data relating to relevant studies, published DWP programme costs, etc.

<http://www.wmro.org/standardTemplate.aspx/Home/Ourresearch/Economicinclusion/Costbenefitsofworkoverbenefits>

Counting the Cost: a Worklessness Costs Audit for London (London Councils, 2010)

<http://www.londoncouncils.gov.uk/London%20Councils/2LondonCouncilsWorklessnessCostAuditmainreportFina.pdf>

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

Valuing the benefits of regeneration (CLG, 2010) examines how the benefits of regeneration might be valued. It provides an analytical framework enabling comparison of different types of regeneration activity, including worklessness and skills initiatives and offers suggestions on how some of the practical challenges can be addressed. The work was informed by the DWP approach to cost-benefit.

<http://www.communities.gov.uk/publications/regeneration/valuingbenefitsregen>

DWP Input Indicators contained in the DWP Business Plan – includes, eg, processing costs for new JSA claims, ESA interviews, etc <http://www.dwp.gov.uk/docs/business-plan-input-indicators-may-2011.pdf> + technical appendix <http://www.dwp.gov.uk/docs/indicator-measurement-annex-may-2011.xls>

Employment Retention and Advancement demonstration project and Pathways to Work for Incapacity Benefit customers: Costing for staff time – ERA and IB cost studies (DWP, 2006)

http://research.dwp.gov.uk/asd/asd5/report_abstracts/wp_abstracts/wpa_032.asp

Studies including cost-benefit/ vfm calculations

Cost-benefit analysis of Pathways to Work for new and repeat incapacity benefits claimants (DWP, 2008)

http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_498.asp

Final Evaluation of the Family Employment Initiative (Coalfields Regeneration Trust, 2011) <http://www.coalfields-regen.org.uk/docs/236.pdf>

Evaluation of the New Deal for Disabled People: cost and cost-benefit analyses (DWP, 2007) http://research.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://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_337.asp

Financial Cost: Benefit Analysis of Kent Supported Employment (Kent County Council, 2010)

http://www.kent.gov.uk/adult_social_services/social_services_professionals/service_information/kent_supported_employment/report_on_supported_employment.aspx

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

2. NEET young people

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

[commission.gov.uk/localgov/nationalstudies/againsttheodds/Pages/default_copy.aspx](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 2010: Counting the cost of youth disadvantage in the UK

(Prince's Trust, 2010) [http://www.princes-](http://www.princes-trust.org.uk/about_the_trust/headline_news/national_news_2011/cost_of_exclusion_2010.aspx)

[trust.org.uk/about_the_trust/headline_news/national_news_2011/cost_of_exclusion_2010.aspx](http://www.princes-trust.org.uk/about_the_trust/headline_news/national_news_2011/cost_of_exclusion_2010.aspx)

Youth Worklessness - The Costs and Benefits of Interventions aimed at Workless Youth' (LDA, 2010)

<http://www.lda.gov.uk/publications-and-media/publications/youth-worklessness-cost-benefits-analysis.aspx>

3. Children 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, a guide 'Can I afford not to?' with costed examples

<http://www.c4eo.org.uk/costeffectiveness/>

Family interventions

Monitoring and evaluation of family interventions (information on families supported to March 2010) (DfE, 2010)

<http://www.education.gov.uk/publications/standard/publicationDetail/Page1/DFE-RR044>

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 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. This uses the Think Family Toolkit listing of data on public service costs (see below)

<http://www.c4eo.org.uk/costeffectiveness/edgeofcare/costcalculator.aspx>

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>

Repairing broken families and rescuing fractured communities: lessons from the front line (Leadership Centre for Local Government and Westminster City Council, 2010) – includes cost savings calculations from the Westminster FIP

<http://www.localleadership.gov.uk/docs/Repairing%20broken%20families%20Sept%202010.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

4. Crime and offenders

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

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

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>

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

6. Health and Social Care

Health - general

NICE Costing Tools (includes not only cost reports and templates for clinical conditions but also for common mental health problems, drug misuse, obesity, workplace health interventions, etc)
http://www.nice.org.uk/usingguidance/implementationtools/costingtools/costing_tools.jsp

Mental health

The economic case for improving efficiency and quality in mental health (DH, 2011)
http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_123739

Mental Health Promotion and Prevention: The Economic Case (PSSRU, 2011)
<http://www2.lse.ac.uk/businessAndConsultancy/LSEEnterprise/pdf/PSSRUfeb2011.pdf>

Economic and social costs of mental health problems in 2009/10 (Centre for Mental Health, 2010)
http://www.centreformentalhealth.org.uk/publications/economic_social_costs_2010.aspx?ID=622

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>

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 helpful appendix on financial planning and the use of economic appraisal methodology
<http://www.dhcarenetworks.org.uk/Prevention/type/Resource/?cid=4421>

7. Vulnerable groups

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

8. Front line services

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 shared services (FOSS), potentially across partner

organisations www.idea.gov.uk/idk/core/page.do?pagelId=9995215

Delivering public service transformation: developing the financial case for front office

shared services (Local Government Delivery Council, 2010) – analyses the types of

savings that FOSS projects might offer, drawing on existing initiatives, considers what's needed for a robust case, and sets out the core financial information which it would be

valuable to collect and monitor over the life of a project.

<http://www.idea.gov.uk/idk/core/page.do?pagelId=6440077>

9. General references

Getting more for less: efficiency in the public sector (Demos, 2009) reviews 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-](http://www.hm-treasury.gov.uk/data_greenbook_index.htm)

[treasury.gov.uk/data_greenbook_index.htm](http://www.hm-treasury.gov.uk/data_greenbook_index.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

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) <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

The ambitions and challenges of SROI (Third Sector Research Centre, 2011) - raises issues related to quantification of social benefits and their attribution; the judgement involved in setting indicators; whether projects deemed successful based on an SROI analysis can provide the basis for replication and scaling up; and ways in which SROI is being used by stakeholders. It advocates steps to standardise approaches and make them more rigorous. <http://www.tsrc.ac.uk/Research/EconomicandSocialImpact/TheambitionsandchallengesofSROI/tabid/762/Default.aspx>

Local SROI examples:

- Great Yarmouth Target Opportunities Project
<http://www.idea.gov.uk/idk/core/page.do?pageId=17460382>
- Coventry LEGI projects: Workmate and Job Brokers
<http://www.enterprisingcoventry.co.uk/programme/enterprising-coventry-evaluation.html>
- Forth Sector (social enterprise) <http://www.forthsector.org.uk/FS/sroi.html>
- Real Jobs (supported employment service for people with learning disabilities)
<http://www.actiongroup.org.uk/services/real-jobs.html>

This is one of a series of resource briefings produced as part of Local Government Improvement and Development's contribution to the DWP Worklessness Co-Design pilots.

Further briefings are available at <http://www.idea.gov.uk/idk/core/page.do?pageId=23548170> and the report on the DWP Co-Design Pilots at <http://www.dwp.gov.uk/publications/policy-publications/worklessness-codesign.shtml>.