

LGF Village Angels Service – Cost Benefit Analysis findings

A report for

The Lesbian and Gay Foundation

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1 Introduction

- 1.1 This report provides a summary of the findings from cost benefit analysis (CBA) undertaken on the Village Angels Service run by Greater Manchester's Lesbian and Gay Foundation (LGF).
- 1.2 It is intended to provide evidence as to the cost effectiveness of the Service and the potential for scaling up the Service's activities.

Description of the LGF's Village Angels Service

- 1.3 The Village Angels Service commenced in April 2012 and has been operating since with the exception of the period from April 2013 – June 2013 when funding changes led to a pause in activity.
- 1.4 The aim of Service is to relieve pressure on the emergency services and to fill the space between venues, bar owners and the police. Crime data shows that low level crime (bag snatching, theft etc) is prevalent in the Village due to people being vulnerable from the effects of drink and drugs. In response the Village Angels team offer advice, guidance and support to visitors to the Village who may be vulnerable or distressed. By proactively intervening early the team hopes to prevent the need arising for a person to attend A&E, go to the police station etc. The team also hands out information on the LGF's other services.
- 1.5 The Service runs on Friday (8pm-2am) and Saturday (9pm-3am) nights plus a few special occasions during the year such as Manchester Pride. The team covers a fairly small part of the Village; Canal St and Richmond St.
- 1.6 The Service is delivered by 4 LGF staff and about 40 volunteers with the aim to have at least 4 people on duty each night.
- 1.7 The Service helps 100 people per night on average. The Village Angels team have clickers which record the numbers of contacts they have with members of the public. The team tracks the number of meaningful engagements they have each night – by meaningful they are referring to actually engaging/helping people. In the quarter from June – August 2013 the team recorded 161 meaningful engagements.

Greater Manchester Cost Benefit Methodology

- 1.8 New Economy has developed a Cost Benefit Methodology which is used across Greater Manchester to understand the value for money of new approaches. The details of the methodology are documented in the Greater Manchester CBA Technical Specification document.¹ This methodology has been developed in conjunction with analysts from a number of central government departments including HM Treasury and the Department of Health.

¹ *Greater Manchester Cost Benefit Analysis Technical Specification* (New Economy, 2013)

This report

1.9 The remainder of this report is structured as follows:

- **Section 2** outlines the results of the CBA, detailing the assumptions used to inform the analysis and quantifying the impact attributed to the Village Angels Service; and
- **Section 3** outlines the implications of these findings in terms of potential future investment approaches for the Service.\

2 Cost Benefit Analysis findings

- 2.1 In this section, we present findings from the CBA for the Village Angels Service. The analysis is based upon data provided by the LGF staff who are involved in delivering the Service and cost data from LGF's Director of Corporate Services.
- 2.2 The analysis that has been carried out for the Village Angels project is different to the type of analysis carried out for the three other LGF service areas studied as part of this work. This is because there is good data on the types of incidents that are encountered by the Village Angels, but insufficient data available to prove the impact of the Service, especially when looking at deadweight – i.e. what would have happened anyway without the Service. For example, in the case of supporting a vulnerable person who is intoxicated, it is possible to hypothesise that without support the individual may have been assaulted, or needed hospitalisation, but not possible to produce actual evidence of what would have happened.
- 2.3 As such we have used the CBA analysis to consider the benefits created if a percentage reduction in potential incidents is achieved.

Comments and caveats

- 2.4 The following points should be noted regarding the CBA:
- For most outcomes we have modelled a 10% impact on the outcome considered. As described above, this percentage is an indicative assumption to enable an understanding of the potential financial case for the Service if this impact is achieved.
 - One of the outcomes considered is drug dependency. The Village Angels distribute leaflets which challenge recipients to think about their drug use. We have assumed that 1 in 1000 people who receive the leaflet will change their drug use resulting in a 0.1% impact on drug dependency.
 - All outputs from the model are subject to a range of risk and sensitivity tests, with allowance made for optimism bias to ensure that the impact estimates are conservative;
 - CBA should be used as a decision support rather than decision making tool, with the findings supplemented by qualitative perspectives on the Service's performance.

Village Angels Service costs

- 2.5 Typical 12 month cost data for the Village Angels Service were provided by the LGF. These covered the cost of employing a Village Angels coordinator and other core staff, the expenses of project volunteers, uniforms, promotional materials and overheads.
- 2.6 Some of the cost of the Service is met through funding from the Office of the Police and Crime Commissioner.

Village Angels Service benefits

- 2.7 Discussions were held with LGF staff to understand more about the types of interventions that the Village Angels team delivers and the negative outcomes that are avoided as a consequence. These are listed in table 2.1:

Table 2.1: Village Angels Service outcomes and beneficiaries

Outcome	Beneficiary
▪ Reduction in A&E attendances	NHS
▪ Reduction in domestic violence incidents	NHS, Local Authority, Criminal Justice System
▪ Reduction in antisocial behaviour	Police, Neighbourhood teams
▪ Fewer incidents of assault	Police, Criminal Justice System, NHS
▪ Fewer incidents of sexual assault	Local Authority
▪ Fewer incidents of crime – all types	NHS, Police, Criminal Justice System
▪ Reduction in homelessness	NHS, Local Authority
▪ Reduced drug dependency	NHS, Police, Criminal Justice System
▪ Reduced alcohol dependency	NHS, Police, Criminal Justice System
▪ Fewer hospital admissions	NHS

Source: New Economy CBA model

- 2.8 Assessing the benefits of the Village Angels Service involved a number of steps. For each of the outcomes above, the following analysis was undertaken:

Step 1: Identifying the target population

- 2.9 The target population was calculated as 3,200, based on extrapolating the meaningful engagements data provided for the 3 month period from June to August 2013 to produce an expected target population for a 12 month period.

Step 2: Identifying the affected population

- 2.10 The affected population was calculated by extrapolating the number of incidents of each type recorded in the 3 month period from June to August 2013 to produce an expected number of incidents for a 12 month period.

Step 3: Assessing the impact on the affected population

- 2.11** New Economy was able to review police data on how many and what types of incidents were recorded within the Village. This data covered a three year period (2011/12 to 2013/14) split into six month blocks and included the three month period when the Village Angels Service was paused.
- 2.12** Much of the data was unrelated to the Village Angels Service (e.g. fraud or shoplifting statistics) or too small in number to be able to identify an obvious trend in the statistics (e.g. male sexual assault or hate crimes). Miscellaneous Theft was the one category where the data did show a significant drop in incidents (circa 20%) when the Service started and an increase (again circa 20%) when the Service was paused. This category primarily relates to the snatching of unattended property. This is an interesting finding and it may be that the Service is the cause of the fall; further research into how and how many people the Service makes less vulnerable to opportunistic theft would be needed to demonstrate this conclusively. Until such research is available we are reluctant to build the modelling around this finding because it only relates to one Village Angels outcomes and it may be that other police and venue-led initiatives contributed more to this reduction.
- 2.13** Given this lack of clear, causal data relating to the Service's impact, we have had to assume that the Service has a 10% impact in all its 'interventions' (i.e. in one out of every 10 meaningful engagements a further cost is avoided) except drug dependency, where we have assumed a 0.1% impact. This then enables a potential financial benefit to be calculated, but, again, it should be stressed that this analysis is only indicative.

Step 4: Allowing for deadweight

- 2.14** Deadweight refers to outcomes that would have occurred in any case, if the project had not been operational – that is, if the clients had not become involved with the Service, would positive outcomes still have resulted? As discussed above, this is one of the challenges of modelling the Village Angels Service, and as such we are only able to provide indicative analysis of a potential 10% impact on outcomes. As we are only looking at an indicative additional impact of the Service, we have already attempted to take account of the deadweight, and therefore in the modelling we have set the deadweight percentage to 0%.

Step 5: Correcting for optimism bias

- 2.15** The next step is to make an assessment of the level of optimism bias, in order to reduce the number of clients who had achieved a positive impact (once deadweight had been accounted for) by a considered proportion to ensure that the final impact estimates are conservative. A graded assessment of robustness across all stages of the benefits modelling is undertaken, considering the source of population/cohort data, the nature of the evidence base on engagement and impact, how the unit cost of the outcome has been monetised, the age of the data and the extent of any known data errors. Most

of the Village Angels cost data has been based on actual contracted costs from the Office of the Police and Crime Commissioner, and as such we have not added any correction for optimism bias. The only exception is for valuing volunteer time, where we have applied a 10% optimism bias correction. Much of the evidence we have called upon to model the benefits of the Village Angels Service has been drawn from LGF systems; in line with our guidance, a 15% optimism bias correction has been applied to all benefits.²

Running the CBA model

- 2.16 The assumptions around costs and benefits were fed into the CBA model in order to arrive at a monetary value for the outcomes achieved. This monetary value was calculated by multiplying the number of clients achieving the outcome (once corrections had been applied for deadweight and optimism bias) by a unit cost for the outcome. The unit costs used in the model are derived from various established sources of evidence, including MoJ metrics for reoffending, DWP Total Place guidance, and academic studies.³
- 2.17 The model assumes that all the impacts of the project occur during the financial year that the service is operational. No ongoing impacts have been modelled.

Summary of findings from the CBA model

- 2.18 Following the steps described above, and discounting future costs and benefits of the counselling so that they are expressed as 'present' costs and benefits⁴, the overall benefit-cost ratios for the Village Angels Service are as follows:
- the **fiscal** benefit-cost ratio for the Village Angels Service is 1.3,⁵ which means that for every £1 put into the project, £1.30 of benefits are estimated to result; these benefits fall to a broad range of agencies, including the police and other Criminal Justice agencies, the NHS and Local Authorities.
 - the **economic** benefit-cost ratio for the Village Angels Service is 0.8, which means that for every £1 put into the project, £0.80 of benefits are estimated to result; these economic benefits are related to reduction in crime (e.g. theft) and reduced drug use.
 - the **social** benefit-cost ratio for the Village Angels Service is 0.85, which means that for every £1 put into the project, £0.85 of benefits are estimated to result; the £0.85 figure refers to the hypothetical value of improved health wellbeing due to the project. N.B. No agency sees this money in their budget line and nobody sees this money in their bank account.

² A lower level of optimism bias is assumed for impact data that is derived from formally robust sources such as use of randomised control trials (RCTs), or the findings of independent evaluations.

³ Sources for the unit costs used in the model can be found in the Technical Specification document: *Greater Manchester Cost Benefit Analysis Technical Specification* (New Economy, 2011)

⁴ *The Green Book: Appraisal and Evaluation in Central Government* (HM Treasury, 2003; updated 2011)

⁵ The benefit-cost ratio is derived by dividing the total discounted benefits by the total discounted costs.

2.19 As this modelling is only indicative, the benefit costs ratios are very sensitive to the assumed impact of the service. For example, if the impact rate was reduced from 10% to 5% for the majority of outcomes and from 0.1% to 0.05% for drug dependency, the fiscal benefit cost ratio would be 0.65. Conversely, if the impact rate was doubled (to 20% and 0.2% respectively), the fiscal benefit cost ratio would increase to 2.6.

3 Conclusions and implications

- 3.1 While the data available to model the Village Angels Service is limited, the indicative CBA does show a financial case for continued funding of the Service, even with relatively modest levels of impact (10%),
- 3.2 It is also important to consider other benefits that the CBA model has not been able to capture – in particular there have been a large number of positive comments from members of the public for the scheme. It is very likely that the Village Angels Service has reduced the fear of crime in the area, and this will also have knock on economic impact on businesses in the area. In addition, it should be remembered that the CBA model takes a conservative approach in assessing the benefits ensuing from a project, and may underestimate the actual savings that are generated by the Service.
- 3.3 In considering forward plans for the project, the CBA evidence should be considered alongside appropriate qualitative evidence, thereby giving an holistic account of the wider impact of the project (including social outcomes), and helping to ‘triangulate’ the CBA findings.

Implications for future investment

- 3.4 The indicative modelling suggests that even with a relatively modest level of impact the Village Angels Service will deliver value for money. In more detail, the modelling suggests that approximately two thirds of the fiscal benefits that the Service delivers accrue to criminal justice agencies – e.g. reductions in crime, assaults and antisocial behaviour. The remaining one third of benefits accrues to the health service (primarily in the form of reduced drug and alcohol dependency costs) and the local authority (in the form of reduced costs in relation to homelessness, assaults and domestic violence).
- 3.5 The Village Angels Service is presently funded by the OPCC. The modelling suggests that criminal justice agencies should continue to act as the primary funder of the Service. However, there may be a case for seeking further funding from:
 - Health Service agencies – as the Village Angels programme is developed, it may be beneficial to seek project funding from Health Service agencies to undertake specific health focussed activities;
 - Bar, club and venue owners within the Village – as noted, there is a heightened fear of being a victim of crime within the Village and this may dissuade people from visiting the area at weekends. The large amount of positive feedback received in relation to the Village Angels Service implies that the Service could help to reduce this fear and thereby help increase the profits of businesses which rely on weekend visitors.

Areas for further research

3.6 The high volume, often light touch nature of the Village Angels Service together with the fact that a large percentage of the Service's beneficiaries are under the influence of drugs and/or alcohol mean that real-time, robust monitoring and evaluation of the Service will be difficult to achieve. Nevertheless, New Economy recommends that the following research/processes be undertaken to better understand the impact of the Service:

- The continued collection of meaningful incidents data and Village crime statistics. Relatively little longitudinal data has been made available to us in the course of this modelling from which it has been impossible to identify any significant trend in incidents. Crime and antisocial behaviour figures are likely to fluctuate in the course of the year (i.e. more people will be visiting the venues in the summer months so you would expect the number of incidents to rise). Continuing to collect meaningful incident data and crime statistics and benchmarking this against crime statistics for other parts of the city centre may help the Service to identify a longer-term trend in incident data;
- Further discussions with the emergency services and venue owners, seeking their views on whether the Service has helped to change perceptions of safety within the Village and led to sustained reductions in the types of low level incident they may be dealing with on Friday and Saturday nights; and
- Linking with LGF's existing survey activity to obtain the public's views on the Village Angels Service: are people aware of the Service and do they know what it is for? Has the Service had any impact on their fear of being a victim of crime and their likelihood of visiting the Village at weekends?