

Greater Manchester Evaluation and Cost Benefit Analysis Newsletter – No. 4 – July 2011

Welcome to the fourth GM Evaluation and Cost Benefit Analysis (CBA) Newsletter.

In this newsletter we:

- Give details of the CBA training sessions that we will be running for local authority officers.
- Review the GM Community Budget pipeline projects we will be working with in the coming months.
- Give an update on the wider evaluation and community budgets work that we are involved with.
- Provide a summary of progress in developing GM's approach to CBA over the last 12 months.

If you want to find out more our contact details are given at the end of the newsletter. Alternatively, visit the Community of Practice website.

Training local officers to use the CBA model

Later this month we will be running a one-day training session for officers from all 10 GM local authorities, Transport for Greater Manchester and Cheshire East. Attendees will be trained in how to apply the CBA model that we have developed over the past 12 months. By delivering the training we aim to boost the skills and capacity within GM to apply CBA to new and existing projects. In the longer-term, we aim to embed CBA within GM public sector commissioning processes.

The format of the training will draw upon the CBA workshops that we have been running over the past three months. The interactive nature of these workshops, which have involved group work on actual/proposed community budget pilots, has been well received. By replicating such an approach the officers will gain first hand experience of applying the CBA model. This will stand them in good stead when they come to apply the model and to train colleagues in how to use the model.

The training will not mark the end of New Economy's involvement with the cost-benefit analysis work. If resources allow we intend to run training sessions for larger numbers of staff in each authority. Julian will still be available to local teams to support cost-benefit analysis activities as required.

Applying CBA to GM Community Budget proposals

Since the last newsletter we have been working with a range of community budget teams to help them apply CBA to their proposals.

- We have worked with the Probation Service team in Trafford to help them understand how CBA could support their bid to extend a pilot project that brings together probation, jobcentre plus and a mental health charity service.
- We ran a CBA workshop in Wigan to help local officers develop a project relating to the integration of school, children's services and training support to young people.
- We ran a CBA workshop for the Tameside team who are developing a project relating to the long-term unemployed in Hattersley.

Following each session we draw up a list of key research tasks, divided between the teams and ourselves, that will need to be completed before their project proposal can 'go live'.

In the coming months we will be arranging workshops (see above) with additional teams, including:

- Tameside staff looking to implement a family-focused community budget in Smallshaw Hurst.
- Officers from Oldham who want to model the impact of a new 0-5 universal pathway service for children and parents.
- The Salford team that is developing a new model of early intervention to support families with complex needs in Little Hulton.
- A team from Salford University that is looking at the costs and benefits of interventions which aim to reduce sick leave in the NHS.

The Trafford probation and Salford health projects are relevant to ongoing work with economists at the Ministry of Justice and the Department of Health. With both departments we are seeking to identify and agree the fiscal value of further outcomes such as reduced custody hours and increased GP registration. New outcomes will be added to the GM CBA model technical specification as these discussions progress.

Wider evaluation and community budget work

As more areas in Greater Manchester have brought forward community budget proposals it has become possible to identify challenges that all areas face when seeking to move from planning to implementation. These challenges include data sharing, the development of single assessment frameworks and the creation of a public service environment in which agencies jointly commission (and decommission) interventions.

Greater Manchester has received funding from the Department for Education to undertake (either solely or in partnership with other parts of the country) research into these issues, with the aim of developing recommendations and tools that can aid all 16 community budget pilots across England. This research begins this summer and will run for two years. The CBA team will be leading on, or contributing to, various aspects of the research, notably in relation to working with Birmingham on CBA and understand drivers of cost within public services.

Another area of work in the coming months will be around social return on investment. The CBA model we have developed to date is largely focused on valuing the fiscal and economic benefits of pilot projects. It provides less information on the social benefits (such as improved quality of life for residents) of pilot projects. To begin to fill in this gap, we will be working with the community and voluntary sector in GM to firstly boost awareness of the concept of social return on investment and, if relevant, developing a GM-agreed approach to how we value different social outcomes.

Developing a GM cost database has long been an ambition. It has recently been agreed that two analysts will be recruited to collate existing guides/evidence on public sector service costs and then apply these costs to the customer journeys that have been mapped as part of the Early Years pilot work. Commissioning this work will help us to understand how cost information needs to be presented in order for GM officers to be able to identify the cost of new and current activities. In the longer-term we hope to develop a GM cost database that will be made available to officers.

Progress made over the last 12 months

This newsletter marks the end of the 12 months of NWIEP funding to develop CBA in Greater Manchester. We have made good progress on several fronts. For example:

- We have developed a GM cost-benefit analysis model that has been recognised by central government as being the most advanced of all

such models in terms of identifying the fiscal value of various public sector outcomes.

- The CBA model has been applied to a variety of projects and pilots, in locations across GM, and in a variety of sectors. This modelling has helped pilot teams to further develop their interventions.
- CBA approaches have been placed at the centre of the public sector reform agenda in GM. For instance, CBA has been used to demonstrate how GM could move from a grant-funding regime to one in which we assess the return on investment from GM's capital and revenue projects.
- GM now possesses more officers with knowledge of CBA and the skills needed to apply CBA.

There are still challenges that remain. We recognise the need to increase the focus on understanding costs within the public sector. Many projects still struggle to identify the costs associated with their work. We also acknowledge that the CBA model has, to date, largely been applied in order to forecast the likely impact of projects. The absence of significant numbers of implementation-stage projects has limited our ability to undertake ex-post evaluations and to test the assumptions the CBA model currently makes.

Although we have now reached the end of the NWIEP project, New Economy will continue to develop the CBA tools and techniques for use across Greater Manchester and provide support to local agencies to enable them to use the tools to drive public sector reform.

Contact details

To find out more about evaluation and cost-benefit analysis or provide feedback, please contact us.



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