

Appendix C

Bury Joint Engagement Team Cost Benefit Analysis Report

March 2016
Stephen Bray



CONTENTS

CONTENTS	2
EXECUTIVE SUMMARY	4
1 INTRODUCTION.....	7
2 METHODOLOGY	8
3 COSTS.....	10
4 FISCAL BENEFITS ANALYSIS.....	11
5 SUMMARY OF KEY FINDINGS.....	15
6 CONCLUSIONS	17
APPENDIX A	18

Further Information

For further information about this project, please contact the JET Programme Lead:

John Merrick, Six Town Housing, 0161 686 8111

About New Economy

New Economy is a wholly owned company of the Greater Manchester Combined Authority (GMCA) and delivers policy, strategy and research services for Greater Manchester's economic growth and prosperity.

<http://neweconomymanchester.com>

EXECUTIVE SUMMARY

Introduction

Bury's Joint Engagement Team (JET) has been in operation since July 2014 and tackles a variety of neighbourhood issues through a multi-agency approach involving Greater Manchester Police (GMP), Bury Council and Six Town Housing (STH), an Arm's Length Management Organisation which manages the housing stock owned by Bury Council.

The JET programme intervenes to tackle a range of issues, including:

- anti-social behaviour (ASB) - street drinking, animal problems, abandoned vehicles, vehicle nuisance, noise, littering/drug paraphernalia, fireworks, rowdy/inconsiderate behaviour, neighbour disputes;
- criminal damage;
- Violence/assaults;
- Issues involving pets, mental health issues and alcohol and
- Stalking and harassment.

The JET programme also tackles or supports work involving some of the following issues:

- hate incidents (racial, religious, sexual orientation, disability, gender, transgender, alternative sub-culture);
- domestic abuse (with juvenile present, between those aged 16+, non ACPO domestic, prevent breach of peace).

In April 2015, initial examination of changes in the level of reported ASB across the district showed a reduction in ASB in 14 of Bury's 17 wards over the initial post-JET initialisation period. The analysis showed an average reduction of 13% in the levels of ASB across each ward. It was also noted that the total number of repeat ASB incidents fell by 11% between the two study periods.

As a result of these findings, it was felt useful to review the JET programme in further detail, to assess its fiscal and economic impact since its initiation.

Cost Benefit Analysis – The Approach

This report calculates JET's fiscal and social value to partners in Bury Council, Six Town Housing and Greater Manchester Police by using New Economy's HM Treasury approved Cost Benefit Analysis (CBA) Model.¹

The CBA examined incidents dealt with by the JET programme during its most recent twelve months of operation (January – December 2015). Demand reduction outcomes were modelled in terms of their equivalent fiscal benefit for the subsequent five year period (i.e. the immediate and anticipated longer term benefit).

¹ A wider review of JET has been completed by the programme lead, and this document is intended to complement that wider work.

The wider benefits of the JET programme (the wider 'public value' benefits to society) were also considered. A bespoke telephone survey was completed with over 100 Bury residents who have been engaged by the JET (both aggrieved and perpetrators). Five questions on the positive benefits of the programme were asked, as follows:

'As a result of the way your case was handled...'

- Has your confidence to deal with low level incidents of anti-social behaviour in your community increased?
- Do you now feel more part of your community?
- Do you now feel generally 'safer' on the streets of your community?
- Do you now feel closer to the people in your community?
- As a result of the way your case was handled, has the likelihood that you will report future problems of anti-social behaviour increased or decreased?

Key Findings

The primary finding from this CBA is that, for every £1 spent on JET, its partners are set to save the fiscal equivalent of £3.07 in benefits through demand reduction. This is based on a total annual cost of £257k to partners and benefits of £790k. Although this is a demand reduction in kind (rather than a directly cashable saving), the programme therefore represents strong value for money and will effectively 'pay back' its own costs within one year.

- Greater Manchester Police, which invests the equivalent of £83k per annum resourcing JET, see a return of £351k (a return of £4.25 for every £1 invested).
- Bury Council, which invests the equivalent of £51k, see a return of £201k (a return of £3.91 for every £1 invested).
- Six Town Housing, which invests the equivalent of £124k, see a return of £201k (£1.63 back for every £1 invested).

Demand reduction estimates are likely to be conservative, given the rigour of the analysis, and also the increased likelihood of victims to report ASB and other incidents to the police due to increased confidence (which may, in part, obscure the 'true' reduction in levels of ASB and other incidents experienced locally).

A secondary finding from the appraisal of potential wider (public value) benefits is that the intervention has substantial potential to improve the well-being of individuals, families and communities to the level of £4.05m in public value benefit. This reflects the reduced long-term physical health and psychological impact on direct victims, and a range of broader positive outcomes for people and places that have benefited from the JET programme.

Conclusions

The fiscal return on investment calculated in this report provides a strong basis upon which to continue developing the JET approach. The analysis prompts four headline conclusions for the JET Steering Group and CSP Board to consider in due course:

- (1) There may be potential to increase the financial return on investment of the JET programme, by considering which incident types JET is most able to positively impact upon, and focusing greater time and resource on those incident types.
- (2) The CBA only provides an indication of how benefits are distributed between agencies, but partners may wish to consider the CBA findings in the context of JET resourcing, given that the balance of resource investment vs return on investment is not the same for all stakeholders individually.
- (3) Given the positive findings from the survey of local residents, it may be worth considering how JET can be further developed to support a wider set of strategic agendas beyond community safety - for example its potential role to develop community integration and tackle social isolation.
- (4) Undertake further work to gain a greater understanding of the costs incurred by key partners involved in the JET. This will enable the partnership to gain a clearer picture of the costs associated with tackling ASB across the borough and the financial gains that can be secured through the JET

1 INTRODUCTION

1.1 Bury's Joint Engagement Team (JET) has been in operation since July 2014 and tackles a variety of neighbourhood issues through a multi-agency approach involving Greater Manchester Police (GMP), Bury Council and Six Town Housing (STH), an Arm's Length Management Organisation which manages the housing stock owned by Bury Council.

1.2 The JET programme intervenes to tackle a range of issues, including:

- anti-social behaviour (ASB) - street drinking, animal problems, abandoned vehicles, vehicle nuisance, noise, littering/drug paraphernalia, fireworks, rowdy/inconsiderate behaviour, neighbour disputes;
- criminal damage;
- Violence/assaults;
- Issues involving pets, mental health issues and alcohol and
- stalking and harassment.

The JET programme also tackles or supports work involving some of the following issues:

- hate incidents (racial, religious, sexual orientation, disability, gender, transgender, alternative sub-culture);
- domestic abuse (with juvenile present, between those aged 16+, non ACPO domestic, prevent breach of peace).

1.3 In April 2015, initial examination of changes in the level of reported ASB across the district showed a reduction in ASB in 14 of Bury's 17 wards over the initial post-JET initialisation period. The analysis showed an average reduction of 13% in the levels of ASB across each ward. It was also noted that the total number of repeat ASB incidents fell by 11% between the two study periods.

1.4 As a result of these findings, it was felt useful to review the JET programme in further detail, to assess its fiscal and economic impact since its initiation.

2 METHODOLOGY

- 2.1 A cost-benefit analysis (CBA) makes projections about the nature and extent of the savings made by agencies when they deploy new schemes or projects. Across Greater Manchester the public sector is piloting new and innovative ways of working. New Economy, with support from a network of CBA specialists, is helping to demonstrate the amount of taxpayers' money that can be saved by these new ways of working and the impact they can have on the quality of services enjoyed by Greater Manchester residents. This report calculates JET's fiscal and social value to partners in Bury Council, Six Town Housing and Greater Manchester Police by using New Economy's HM Treasury approved CBA Model.²
- 2.2 The CBA sought to establish the value of the provision assembled by JET, and how these benefits relate to the costs of the program. It expresses this both in figures and as a ratio of cost (on the part of GMP, Bury Council and STH) to benefit (to the public purse).³
- 2.3 The analysis examined incidents dealt with by the JET programme during its most recent twelve months of operation (January – December 2015). Demand reduction outcomes were modelled in terms of their equivalent fiscal benefit for the subsequent five year period (i.e. the immediate and anticipated longer term benefit).⁴ Care was taken to ensure that any demand reductions were understood in the context of wider increases/decreases in police-recorded incidents (thus accounting for what the model terms “deadweight”).
- 2.4 The wider benefits of the JET programme were also considered (the wider ‘public value benefit to society - benefits, damage or cost to infrastructure, the economy and society). A bespoke telephone survey was completed with over 100 Bury residents who have been engaged by the JET (both aggrieved and perpetrators). Five questions on the positive benefits of the programme were asked, as follows:

² A wider review of JET has been completed by the programme lead, and this document is intended to complement that wider work.

³ Fiscal Benefits are the benefits to the agency or the public purse. e.g. saving £10k to an agency budget by delivering services differently. Social Value is a value provided for the benefit of improved confidence, happiness etc., this a proxy value and would not be cashable but provides a value of improving overall Wellbeing, the values are from the New Economics Foundation (NEF) social well-being work.

⁴ Benefits are mapped out for the subsequent five year period, i.e. if an individual receives a response that reduces escalating issues between neighbours, or a response that allows them to feel more a part of their community in the one year period examined, then the cost benefit of that is mapped out for the subsequent five years.

‘As a result of the way your case was handled...’

- Has your confidence to deal with low level incidents of anti-social behaviour in your community increased?
- Do you now feel more part of your community?
- Do you now feel generally ‘safer’ on the streets of your community?
- Do you now feel closer to the people in your community?

2.5 In an attempt to calculate social value savings, each question had a correlating social value category and cost attached to it and answers were analysed to provide a figure showing how much each respondent’s feelings towards themselves and/or their community had changed following their interaction with JET.

3 COSTS

- 3.1 This section contains information on the JET programme revenue spending for the first year of the project only. Revenue expenditure represents the short-term spending which is needed to maintain the ongoing operation of a model, such as paying staff salaries or replenishing necessary supplies. These costs may fluctuate depending on the scope of a scheme or model. Currently there has been no costing provided for the cost of room rentals by the JET as its staff already exist within their organisations. Such costs should be accounted for within the 10% “optimism bias” applied with the CBA model to the staffing costs provided by the agencies. This “bias” provides a means of increasing the modelled costs figure by 10%, to take account of both room rental and the estimated way in which the salary costs were calculated.
- 3.2 Costs information are extrapolated from an overview of spending to date with regards to staffing costs (Six Town Housing, Bury Council and Greater Manchester Police) conducted by Six Town Housing and agreed with these other partners.
- 3.3 Overall revenue spending for the first year of the JET programme is estimated to amount to **£257,422**. Constituent parts of this figure are detailed below. Each of the costs has been subjected to a 10% optimism bias due to the costs currently only being estimates.
- Six Town Housing Caseworkers and Coordinator time, totalling £123,519.
 - Greater Manchester Police staffing and supervisor time (including casework), totaling £82,500.
 - Bury Council Staff time, totalling £51,403.

Key Findings

- The annual cost of the first year of the JET pilot is £257,422.
- The costs are split between Six Town Housing (48%), Greater Manchester Police (32%) and Bury Council (20%).

4 FISCAL BENEFITS ANALYSIS

- 4.1 Although JET's initial aim was to tackle all strands of ASB, over time this focus changed to focus on several key trends, but also added other non-ASB incidents. A full list of police-recorded incidents that were included within the fiscal benefits impact analysis is included at **Appendix A**. The appendix also lists the percentage attribution for each incident, i.e. it was estimated 100% of animal problem incidents were dealt with by JET, but only 50% of vehicle nuisance incidents and 5% of racial hate incidents.
- 4.2 Analysis was conducted on the incidents occurring in Bury in the twelve months prior to JET initiation (July 2013 – June 2014) and compared with the most recent 12 month period since JET initiation (January – December 2015). The Bury figures were then compared to changes across GM.
- 4.3 It was noted that, of the 14,044 relevant incidents⁵ taking place in Bury in the initial period:
- 3,061 incidents (22%) were 'crimed' – the incident was found to have involved a criminal act;
 - 7,689 incidents (55%) underwent 'further action' but did not become crimes;
 - The remaining 3,294 incidents (24%) were 'closed' without further action being entailed.
- 4.4 On average, a 'crimed' incident costs £609 to the fiscal purse, an incident requiring further action £500, and one with no further action required, £35.

Greater Manchester Police (GMP)

- 4.5 GMP is calculated to have benefited from JET on an annualised basis by £268,465 (based on a cost of £82,500 and benefits of £350,965). These cost savings are comprised of:
- Reduction in incidents not requiring further action by 24% from 2,762 to 2,099 giving a £532 benefit (taking into account the pan-GM reduction for this measure of 23.3%, which is considered to be the "deadweight"⁶)
 - Reduction in incidents requiring further action by 16.03% from 4,630 to 3,888 giving a £267,311 benefit (taking into account the pan-GM reduction for this measure of just 0.73%, which is considered to be the "deadweight")

⁵ This is the 'raw' figure, before any attribution was added to it. With percentage attributions, the overall figure reduces to 8,663.

⁶ "Deadweight" relates to the figure of "what would have happened anyway", i.e. in this case, if Bury had followed the GM trend.

- Reduction in incidents that are crimed by 2.4% from 1,271 to 1,241 giving a £83,121 benefit (taking into account the pan-GM increase for this measure of 16.4%, which is considered to be the “deadweight”)

Probation

4.6 The Probation Service is calculated to have benefited from JET on an annualised basis by £7,731. They have not financially contributed to JET. These cost savings are comprised of:

- Reduction in incidents that are crimed, as above, giving a £7,731 benefit.

Wider Criminal Justice Stakeholders

4.7 Courts and Legal Aid savings are calculated to the value of £29,584. These cost savings are comprised of:

- Reduction in incidents that are crimed, as above, giving a £29,584 benefit.

Local Authority (Bury Council)

4.8 Bury Council are calculated to have benefited from JET on an annualised basis by £149,480 (based on a cost of £51,403 and benefits of £200,883). These cost savings are comprised of:

- Reduction in incidents not requiring further action (£399)
- Reduction in incidents requiring further action (£200,483)

Six Town Housing

4.9 Six Town Housing are calculated to have benefited from JET on an annualised basis by £77,364 (based on a cost of £123,519 and benefits of £200,883). These cost savings are comprised of:

- Reduction in incidents not requiring further action (£399)
- Reduction in incidents requiring further action (£200,483)

Total fiscal benefits

Total fiscal benefits = £790,045, of which:

GMP = £350,965; Probation = £7,731; Courts, Legal Aid, etc. = £29,584; Bury Council = £200,883; Six Town Housing = £200,883

WIDER 'PUBLIC VALUE' BENEFITS

4.10 A proportion of the public value benefits from the JET programme relate to the direct impact on victims (health based, covering both the long-term physical and psychological impact), as follows:

- reduction in incidents not requiring further action, as above, giving a £5,819 benefit.
- reduction in incidents requiring further action, as above, giving a £825,992 benefit.
- increase in incidents that are crimed, as above, giving a £1,069,329 benefit.

4.11 The public value benefits of the JET programme, however, extend beyond the direct effects on individuals as victims of crime. A wider value to society is suggested from the survey of those who have interacted with the JET programme (either as victims or as perpetrators). Results from the questionnaire suggest a substantial wider impact on people and places:

Question	Increased	Remained the same	Decreased	Net increase
Has your confidence to deal with low level incidents of anti-social behaviour in your community increased?	32.4%	45.37%	22.2%	10.2%
Do you now feel more part of your community?	41.7%	32.41%	25.9%	15.7%
Do you now feel generally 'safer' on the streets of your community?	38.9%	35.19%	25.9%	13.0%
Do you now feel closer to the people in your community?	39.8%	37.96%	22.2%	17.6%
As a result of the way your case was handled, has the likelihood that you will report future problems of anti-social behaviour increased or decreased?	56.5%	26.8%	16.7%	39.8%

4.12 Analysis of the results suggests the following impact as a result of JET, when expressed in terms of public value:

- Increase in confidence / self-esteem (to the individual) increased by 10.2% among participants, totalling £146,571 benefit in public value.
- Reduction in isolation (to the individual) increased by 15.7% among participants, totalling £547,897 benefit in public value.
- Positive functioning (of the family) increased by 39.8% among participants, totalling £383,183 benefit in public value.
- Sense of trust and belonging (to the community) increased by 13% among participants, totalling £453,673 benefit in public value.

- Improved relationships (of the community) increased by 17.6% among participants, totalling £614,204 benefit in public value.

Total Further Public Benefits

- Total social value = £4,046,668

5 SUMMARY OF KEY FINDINGS

JET is viable fiscally and valuable economically

- 5.1 The primary finding from this CBA is that, for every £1 spent on JET, its partners are set to save the fiscal equivalent of £3.07 in benefits through demand reduction. An (annualised) £257,422 investment by the JET partners would be expected to generate an (annualised) £790,045 in fiscal benefits to several agencies, being those involved in crime and disorder, the local authority and the local ALMO, Six Town Housing.
- 5.2 Demand reduction estimates are likely to be conservative, given the rigour of the analysis, and also the increased likelihood of victims to report ASB to the police due to increased confidence (which may, in part, obscure the 'true' reduction in levels of ASB experienced locally).
- 5.3 Although this is a demand reduction in kind (rather than a directly cashable saving), the programme therefore represents strong value for money and will effectively 'pay back' its own costs within one year.

Multiple Agencies Benefit from JET

- 5.4 Fiscal benefits generated by JET are spread across multiple agencies:
- Greater Manchester Police, which invests the equivalent of £83k per annum resourcing JET, see a return of £351k (a return of £4.25 for every £1 invested).
 - Bury Council, which invests the equivalent of £51k, see a return of £201k (a return of £3.91 for every £1 invested),
 - Six Town Housing, which invests the equivalent of £124k, see a return of £201k (£1.63 back for every £1 invested).

Full details are shown in Table 2 below:

Table 2 – Investment and Return on JET project by agency.

Agency	Investment	Return	Net gain
Bury Council	£51,403	£200,883	£149,480
Greater Manchester Police	£82,500	£350,965	£268,465
Probation	n/a	£7,731	£7,731
Wider CJ Stakeholders	n/a	£29,584	£29,584
Six Town Housing	£123,519	£200,883	£77,364

There are a wide range of benefits generated by JET that are not fiscal in nature

- 5.5** A secondary finding from the appraisal of potential wider (public value) benefits is that the intervention has substantial potential to improve the well-being of individuals, families and communities. These benefits pertain to the improved well-being of individuals and families, particularly around increased confidence, reduced isolation, etc. At present, they are costed through the New Economics Foundation’s ‘QUALYs’ format wherein proxy costs are given for what people either pay for interventions such as counselling, or what people believe they would be willing to pay for improved familial relationships, etc.
- 5.6** The total benefits for these ‘public value’ considerations are estimated to be £4.05 million by the end of the five year period for researching benefits. This reflects the reduced long-term physical health and psychological impact on direct victims, and a range of broader positive outcomes for people and places that have benefited from the JET programme.

SIPH Benefits (Fiscal and Public Value)		
	Fiscal	Public Value
Crime and Disorder	£350,965 (GMP) £7,731 (Probation) £29,584 (CJS)	£1,901,140
Local Authority / Housing	£200,883 (LA) £200,883 (Housing)	
Other Public Value Benefits		£2,145,529
Total	£ 790,045	£4,046,668
<ul style="list-style-type: none"> • The cost:benefit ratio of the JET programme based on this methodology is 1:3.1, with a £257,422 investment by the JET partners generating £790,045 in fiscal benefits to the partner agencies. • Public value benefit is £4,046,668. 		

6 CONCLUSIONS

6.1 The fiscal return on investment calculated in this report provides a strong basis upon which to continue developing the JET approach. The analysis prompts three headline conclusions for the JET Steering Group and CSP Board to consider in due course:

- There may be potential to increase the financial return on investment of the JET programme, by considering which incident types JET is most able to positively impact upon, and focusing greater time and resource on those incident types.
- The CBA only provides an indication of how benefits are distributed between agencies, but partners may wish to consider the CBA findings in the context of JET resourcing, given that the balance of resource investment vs return on investment is not the same for all stakeholders individually.
- Given the positive findings from the survey of local residents, it may be worth considering how JET can be further developed to support a wider set of strategic agendas beyond community safety - for example its potential role to develop community integration and tackle social isolation.
- Undertake further work to gain a greater understanding of the costs incurred by key partners involved in the JET. This will enable the partnership to gain a clearer picture of the costs associated with tackling ASB across the borough and the financial gains that can be secured through the JET.

APPENDIX A

Police Recorded Incidents – Suite of FWIN Codes analysed in the course of JET Evaluation

ASB Type and attribution given		Other Incidents and attribution given	
D08 - Street Drinking	100%	C01 – Violence / Assault	Partly (5% credit)
D17 - Animal Problems	100%	C50 - Hate: Racial	5%
D70 - Abandoned Vehicle	100%	C51 - Hate: Religion	5%
D71 - Vehicle Nuisance / Inappropriate Use	50%	C52 - Hate: Sexual Orientation	5%
D14 - vehicles	50%	C53 - Hate: Disability	20%
D80 – Noise	100%	C54 - Hate: Gender	5%
D16 – Rowdy and / or noise nuisance	100%	C56 - Hate: Transgender	5%
D90 - Littering/Drug Paraphernalia	100%	C57 - Hate: Alt. Sub-Culture	5%
D91 - Fireworks	100%	L29 - Stalking & Harassment	100%
D92 – Rowdy / Inconsiderate Behaviour	100%	C06 - Criminal Damage	100%
D93 – Neighbours D07 - Neighbours	100%	D61 - Domestic (Juvenile Present)	5%
		D62 - Domestic	5%
		D63 – Domestic - Non ACPO	5%
		D64 - Domestic - Breach Peace	10%
		G17 – Mental Health	30%
		L15 – Alcohol	20%
		G14 – Pets	100%
		D73 – Motorcycle / mini motos	50%