

Building Community Capacity

7 Economic Case Studies

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The economic case for building community capacity

The value of building community capacity to social care is now widely recognised. Despite this acceptance, and a growing body of work to support development, its spread is uneven with pockets of promising practice rather than large-scale change. One of the reasons for this is that it can be difficult to make the case for investment when many of the approaches to building community capacity do not lend themselves to traditional commissioning and service development.

To contribute to addressing this, Think Local Act Personal (TLAP) commissioned National Development for Inclusion (NDTi) to conduct a review of economic evaluations and studies that have been conducted on seven approaches to building community capacity:

- Community Development
- Community Navigators
- Local Area Co-ordination
- Peer Support
- Shared Lives
- Social Prescribing
- Timebanking

For each of seven approaches, a short scoping review of research, including a form of economic evaluation, was conducted.

A systematic approach was adopted using key search terms. Both peer reviewed publications and grey literature were included, from 2010 onwards and confined to UK studies where possible. Searches were conducted on OneSearch (an academic search engine), Social Care Online and Google. Relevant studies were reviewed and one study that was considered to be the best available for each of the seven approaches was selected. This decision was made on the basis of their quality, and where possible, the emphasis focused on purely or mainly on economic value (i.e. savings to the public purse) rather than social value (i.e. where a monetary value is attributed to social outcomes such as improved wellbeing). This is not to devalue the importance of social outcomes but, is in recognition that in the current climate in both health and social care, there is a need to be able to identify economic cost savings. It is worth noting that some of the studies cover different timescales due to selecting examples based on the quality of best practice.

It should also be noted that due to time and resource restrictions a pragmatic and efficient approach was taken to both conducting the searches and reviewing the findings and the searches will not have uncovered all relevant research in these areas.

This report summarises the key findings of the seven studies.

An explanation of different types of economic evaluation is included at the end of this report.

Approach 1: Community Development



For every £1 invested in community development
£3.80 is saved through reduced use of health services

Cost-benefit analysis compared the costs of delivering and supporting community development in three areas (North Solihull, Dartmouth and Wandsworth) to the health service costs saved due to a reduction in cardiovascular disease, depression, obesity, falls, emergency hospital admissions/readmissions, A&E attendance and emergency ambulance calls. The study estimates that community development activity can prevent 5% of these conditions in a disadvantaged neighbourhood and calculates the health benefits over three years from a two-year intervention.

Key Findings

The estimated cost of a community development intervention in a disadvantaged neighbourhood of 5,000 people is £145,000. A two-year Community Development intervention leads to an estimated saving for the health service of around £559,000 over three years as a result of reduced depression, obesity, cardiovascular disease and other health factors. This is a return of 1:3.8 on a £145,000 investment in community development. This means that for every £1 invested in community development an estimated £3.80 is saved through reduced use of health services. Reduced costs as a result of applying the method simultaneously in three neighbourhoods could lead to a return on investment of 1:6.4. Using this form of community development in the 20% most disadvantaged neighbourhoods in England could save the NHS £200m a year.

What should we be aware of?

- The calculations include savings to health service only – the study notes that community development can also lead to savings produced by reductions in crime and anti-social behaviour.
- The study uses cautious and conservative estimates in terms of benefits.

Source

Fisher, B., Stuteley, H., Chanan, G., Hughes, S., Miller, C., and Griffiths, S. (2011), Empowering Communities for Health: Business Case and Practice Framework, Exeter: Health Empowerment Leverage Project Available: www.healthempowerment.co.uk/wp-content/uploads/2012/11/DH_report_Nov_2011.pdf

Approach 2: Community Navigators



Every £1 invested in Community Navigators gives a return on investment of £4.44 to the public purse

Analysis of likely costs and benefits of a community navigator programme in Basildon called Experts by Experience (EbE) which targets high-risk individuals and those with complex or multiple needs in deprived neighbourhoods. The study looked at the short-term (1 year) likely costs and benefits of a hypothetical implementation of the community navigator programme from a societal and a total public budget perspective. Costs and benefits of the programme are estimated based on published evidence of effects associated with a number of hypothesized pathways of the community navigator model: a housing pathway; a debt and benefits pathway; involvement with a time bank; and use of a mental health self-help group. The effects are estimated based on the average expected effects per individual receiving the intervention. The benefits to the public budget include those associated with increased productivity and employment and reduced homelessness, benefits claims and GP visits.

Key Findings

The average net benefit to the public purse of people using community navigators is estimated at £1,047 per client. The average rate of return from a public budget perspective as a result of reduced homelessness, increased productivity, increased employment, reduced benefits claims and reduced GP visits is an estimated £4.44 for every £1 invested. If a monetised value for quality of life is included, the average rate of return is an estimated £14.07 for every £1 invested.

What should we be aware of?

- This is a prospective study based on evidence extracted from literature based on other studies – the EbE community navigator scheme may not have the same costs and benefits as those in other settings.
- The study only included short term (1 year) outcomes – it is likely that outcomes will be sustained over a longer period of time than this.

Source

Bauer, A., Fernandez, J-L., Knapp, M., and Anigbogu, B. (2010), Economic evaluation of an “Experts by Experience” model in Basildon District, London: Personal Social Services Research Unit. Available: http://eprints.lse.ac.uk/29956/1/Internet_Use_and_Opinion_Formation_in_Countries_with_Different_ICT_Contexts.pdf

Approach 3: Local Area Co-ordination (LAC)



A Social Return on Investment (SROI) study of the LAC service in Thurrock for both individuals receiving support from a Local Area Co-ordinator and other stakeholders including Public Health, Thurrock CCG, Thurrock Council (Adult Social Care and Housing) and Essex Fire and Rescue. This included using information from interviews, focus groups and steering groups with individuals receiving support from a Local Area Co-ordinator, Local Area Co-ordinators, Public Health, Thurrock CCG, Thurrock Council (Adult Social Care and Housing), Essex Fire and Rescue and local community groups to determine the outcomes of LAC.

Key Findings

It is estimated that for every £1 invested in Local Area Co-ordination up to £4 of social value is generated. Social value includes the value for individuals receiving support from a Local Area Co-ordinator (reduced isolation, connecting with people, having someone to trust, self-confidence and relief from depression), value for Public Health, value for the CCG, value for the Council and value for Department for Work and Pensions.

What should we be aware of?

- The SROI was conducted using guidance from Social Value UK and has been submitted and assured by Social Value UK Report Assurance service.
- An SROI using similar methodology was conducted for Derby LAC and produced the same social value of £4 of value for every £1 invested.
- A high proportion (82%) of the social value impact is for individuals receiving support from a Local Area Co-ordinator (based on financial proxies for reduced isolation, connecting with people, having someone to trust, self-confidence and relief from depression), and not publicly funded agencies and services.

Source

Marsh, H. (2015), Social Value of Local Area Coordination in Thurrock: A forecast Social Return on Investment Analysis for Adult Social Care, Thurrock Council, Westerham: Kingfishers. Summary available: www.thurrock.gov.uk/sites/default/files/assets/documents/lac_report_2015.pdf

Approach 4: Peer Support



For every £1 spent on mental health peer support workers an estimated £4.76 can be saved in psychiatric inpatient bed use

A study exploring whether employed mental health peer support workers can reduce psychiatric inpatient bed use, either by preventing admissions or by shortening lengths of stay. A benefit:cost ratio was calculated based on a literature review of studies using quantitative data on the relationships between the employment of peers and psychiatric bed use. Six studies were identified and data from the studies was analysed to estimate the number of bed days saved per full-time peer support worker. UK unit costs for psychiatric bed use and employment of a peer support worker were applied to this data to produce an estimated average benefit:cost ratio.

Key Findings

The benefit:cost ratio is 4.76:1. This means that for every £1 spent on mental health peer support workers, it is estimated that £4.76 can be saved in psychiatric inpatient bed use, either by preventing bed use or by shortening lengths of stay.

What should we be aware of?

- Cochrane guidelines (guidelines for conducting systematic reviews) were used to assess the studies for overall quality to decide whether they would be included in the literature review; as Cochrane reviews are recognised for their high standards of evidence, the studies included in this review are likely to be high quality studies.
- None of the six studies were conducted in the UK, therefore this may limit the application of the results to the UK.
- The studies only looked at the impact of peer support on inpatient bed use. It is possible that there are additional reductions in the use of other mental health services; on the other hand, there may be an increase in use of other services if inpatient hospital use is prevented.

Source

Trachtenberg, T., Parsonage, M., Shepherd, G. and Boardman, J. (2013), Peer support in mental health care: is it good value for money? London: Centre for Mental Health. Available: www.centreformentalhealth.org.uk/Handlers/Download.ashx?IDMF=7f0ea9bd-7487-4b8c-91b2-9d0399f0de2e

Approach 5: Shared Lives

Save
£26K



Shared Lives support schemes can save £26K per person per year compared to traditional forms of residential or nursing care

A cost benefit analysis identifying potential savings through Shared Lives compared to current local support costs for individuals. The analysis looks at the precise local costs for individuals currently supported by three local authorities and, for those individuals deemed suitable for Shared Lives, compares it to the cost if they were supported in a Shared Lives placement. The cost-benefit analysis compares the costs of current expenditure in alternative forms of care with a conservative expansion cost of a placement in Shared Lives. In all cases, costs are net costs to the local authority.

Key Findings

The average net cost of supporting people with learning disabilities in traditional forms of long-term residential care, nursing care and supported accommodation is £60,000 per person per year, compared to £34,000 in a long-term Shared Lives arrangement. The average net cost of supporting people with mental health needs in traditional forms of long-term residential care, nursing care and supported accommodation is £28,000 per year, compared to £20,000 in a long-term Shared Lives arrangement. The estimated average net savings from a long-term Shared Lives arrangement per person per year are £26,000 for people with learning disabilities and £8,000 for people with mental health needs.

What should we be aware of?

- The analysis was conducted on the basis of comparing the potential cost savings to local authorities and did not include the impact to other public services.
- The analysis looked at cost savings based on current care – additional savings could accrue over time for example through increased community participation and reduced use of services.

Source

Todd, R. and Williams, B. (2013), Investing in Shared Lives, London: Social Finance.
Available: www.socialfinance.org.uk/investing-in-shared-lives/

Approach 6: Social Prescribing

Each £1 spent on Social Prescribing can save £1.98 of NHS costs



A monetised assessment of the economic and social cost-benefits of the Rotherham Social Prescribing Service. The service is delivered by a partnership of more than 20 local voluntary and community organisations and aims to increase the capacity of GPs to meet the non-clinical needs of patients with complex long-term conditions. A team of Voluntary and Community Sector Advisors receive referrals of eligible patients and carers from GPs, and assess their support needs before referring on to appropriate voluntary and community sector services. The Service also administers a grant funding pot through which a 'menu' of voluntary and community service activities to meet the needs of Service users is commissioned. The economic cost benefits are estimated based on analysis of Service users' use of urgent hospital care (non-elective inpatient admissions and Accident and Emergency attendance) for the 12 months prior to and following their referral to the Rotherham Social Prescribing Service – i.e. the NHS costs avoided as a result of reduced demand.

Key Findings

Rotherham Social Prescribing Service has led to more than half a million pounds of NHS costs avoided through a reduction in non-elective inpatient admission and Accident and Emergency attendances. If these benefits are sustained over 5 years this could lead to a return on investment of up to £1.98 for each £1 invested. If the benefits are sustained but drop-off at a rate of 20 per cent each year they could lead to a return on investment of £1.22 for each £1 invested.

What should we be aware of?

- The economic assessment looked at cost reductions to the NHS only – there may also be an economic impact to social care.
- The costs avoided and cost-benefit ratio referred to above are economic benefits only. When social benefits are included using financial proxies for well-being outcomes, the estimated value of these benefits exceeds the costs of delivering the service in the first year.

Source

Dayson, C., Bashir, N., Bennett, E., and Sanderson, E. (2016), The Rotherham Social Prescribing Service for People with Long-Term Health Conditions: Annual evaluation report, Sheffield: Centre for Regional Economic and Social Research. Available: www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/rotherham-social-prescribing-annual-eval-report-2016_7.pdf

Approach 7: Timebanking



A study to explore the economic impact of three community capacity building initiatives including timebanking, by looking at their costs and associated savings. The study uses a method called decision modelling. Findings from previous studies, combined with the expertise of people delivering services and shaping initiatives, are pulled together in simple simulations of what local economic consequences might follow. Each 'model' seeks to mimic the pathways that people might follow. The aim is to show the economic impact of the community capacity-building initiative compared to what would happen in the absence of such an initiative.

In the case of timebanking, the focus is on the costs of time banks and on the monetary value of some of their consequences: the value of service hours created through the time bank; probable increase in the number of people entering or returning to employment or volunteering as a result of their engagement with time banks; and reduction in benefit claims as a result of people returning to employment.

Key Findings

The average cost per time bank member is less than £450 per year. This can deliver an estimated £1300 per member in economic value in terms of service hours created, increase in employment or volunteering and reduction in benefit claims.

What should we be aware of?

- This is a conservative estimate of the net economic benefit; time banks can achieve a wider range of impacts than those quantified and valued in this study.
- The analysis is based on evidence from other studies and not primary data.

Source

Knapp, M., Bauer, A., Perkins, M. and Snell, T. (2011), Building Community Capacity: Making an Economic Case, London: TLAP. Available: www.thinklocalactpersonal.org.uk/_assets/BCC/Making_an_economic_case_doc.pdf

Explanation of types of economic evaluation

The studies include a range of approaches to economic evaluation:

Cost-effectiveness analysis: Cost-effectiveness analysis values the costs of implementing and delivering an intervention and relates this amount to the total quantity of outcome generated, to produce a “cost per unit of outcome” estimate¹. Cost-effectiveness analysis can be used to compare the costs of alternative ways of producing the same or similar outcomes.

Cost-benefit analysis: Cost-benefit analysis goes further than cost-effectiveness in placing a monetary value on the changes in outcomes as well. This means that cost-benefit analysis can examine the overall justification for an intervention (“Do the benefits outweigh the costs?”), as well as compare interventions which are associated with quite different types of outcome. Cost-benefit analyses quantify as many of the costs and benefits of an intervention as possible². Cost-benefit analysis results in a ratio of total benefits to total costs.

Social Return on Investment (SROI): SROI is a specific type of cost-benefit analysis which measures the social, economic and environmental value of interventions. SROI places a monetary value on outcomes including social outcomes, so that they can be compared with the investment made. As with cost-benefit analysis this results in a ratio of total benefits to total costs³. SROI reports can be submitted to Social Value UK Report Assurance service for assurance that they meet SROI principles.

Cost analysis, cost description and cost-outcome description: Some economic evaluations only partially meet the definition of full economic evaluation given above, either because they compare alternatives but focus on costs only (cost analysis), or because they focus on costs only and do not compare alternatives (a cost description), or because they focus on both costs and consequences but do not compare alternatives (a cost-outcome description)⁴.

¹ HM Treasury (2011), *The Magenta Book: Guidance for evaluation*, HM Treasury: London

² HM Treasury (2011), *The Magenta Book: Guidance for evaluation*, HM Treasury: London

³ Nicholls, J., Lawlor, E., Eva Neitzert, E. and Goodspeed, T. A (2012), *A guide to Social Return on Investment*, The SROI Network: London

⁴ Francis, J. and Byford, S. (2011), *SCIE’s approach to economic evaluation in social care*, SCIE: London