

Evaluation of Rochdale Families Project

Briefing Paper on Economic Cost-Benefits of Family Interventions

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1. Introduction

This briefing paper summarises the existing research evidence about the economic cost-benefits of family intervention projects. It then provides estimated figures for a range of risks and associated public agency costs linked to vulnerable families. The paper offers a brief reflection on these costs in relation to the Rochdale Families Project. Further resources (with web links where available) are also listed.

2. Existing Research Evidence

It has been claimed that tailored and co-ordinated support packages around the needs of the whole family may produce estimated savings of between £49,000- £77,000 per family per year (Kendall et al., 2010a and 2010b; HM Government, 2010). In determining the cost-benefits and value for money of Family Intervention Projects (FIPs), there is a need to consider the costs of traditional forms of interventions and the costs that would accrue if projects had not addressed some problems. This is complex as many of the benefits are intangible, the impacts and associated costs or cost reductions will accrue over a life-time (and indeed may be intergenerational) and will extend across a wide range of agencies and benefits provision as well as impacting on the wider economy. It is also the case that some costs may increase in the shorter term (for example through increased referrals of families to agencies by FIP workers) but may result in savings in the longer term (see Nixon et al., 2006; Pawson et al., 2009 and Gregg, 2010, for further methodological discussion). In addition, it is very difficult to identify all the costs associated with a FIP intervention and to make a direct and disaggregated causal link between project interventions and family outcomes.

- The evaluation of the Dundee Families Project calculated a cost saving of £117,600 per annum based on 11 cases (Dillane et al., 2001; Scott, 2006). The evaluation

concluded that at worst, the project cost no more than conventional mechanisms but that it was more likely that it had actually generated real cost savings.

- The evaluation of Shelter Inclusion Project argued that the cost of £9,000 per household represented 'good value for money' (Jones et al., 2006a and 2006b).
- The evaluation of six projects (Nixon et al., 2006) found that the average total cost of closed cases ranged from £3,954 to £5,991 in 2003-04 in projects without a core unit and the average total cost of closed cases in projects with a core unit ranged from £27,214 to £36,850 in 2004-05. This was contrasted with an estimated annual cost of a family evicted for anti-social behaviour with three or four children requiring custodial care, residential care and foster care of £330,000. The evaluation concluded that the projects offered 'excellent value for money.'
- The evaluation of five FIPs in Scotland (Pawson et al., 2009) calculated an average per month cost for families of £1,300 to £1,900 and the average cost of a closed case to be £15,500 to £23,000, based on an average duration of intervention of 12 months. The evaluation concluded that the projects may be cost-effective in the short term and that it would not require many positive outcomes for the project benefits to outweigh project costs, although this was dependent upon timescales and outcomes being achieved.
- A report on the Westminster Family Recovery Programme (Local Government Leadership and City of Westminster, 2010) based on a sample of 50 families argued that the projects provided 'immediate and longer-term reductions in service costs'. The report calculated average estimated cost avoidance per family of £41,000 compared to an average cost of project provision of £19,500 and therefore that there was £2.10 estimated public purse costs avoided for every £1 of project expenditure.
- There have been other economic cost-benefit assessments of parenting interventions not based on the FIP model (Lindsay et al., 2008; London Economics, 2007).

3. Cost Savings

A series of studies have sought to estimate the costs associated to risks linked to vulnerable families. These are based on the likely spend required by public agencies in response to each risk. These costs are presented in Table 1. It should be noted that, with the exception of the estimated costs associated with problematic and recreational drug use, these figures are limited to the direct short term costs of the public agencies directly involved. These figures are therefore an underestimate as they do not factor in the costs to other agencies and wider individual and societal costs accrued, arising from these risks.

Table 1: Risks and Estimated Costs

Risk	Cost	Source
Rent arrears	£360	Calculated by Westminster City Council, 2010 (based on administration costs)
Noise	£686	DfE Negative Outcomes Costing Tool, 2010+
Housing nuisance	£1,206	Calculated by Westminster City Council, 2010 (based on 40 hours of housing officer time)
Possession action	£3,748	DfE Negative Outcomes Costing Tool, 2010+
Eviction	£12,994	DfE Negative Outcomes Costing Tool, 2010+
Post eviction accommodation	£18,840	Calculated by Westminster City Council, 2010 (based on 6 months temporary accommodation)
Eviction action and post eviction accommodation	£250,000- £350,000(annual)	Nixon et al., 2006 (based on family with 3-4 children evicted for anti-social behaviour)
Anti-social Behaviour Order	£5,350	DfE Negative Outcomes Costing Tool, 2010+
Problematic drug user	£50,000 (annual)* £61,000 (annual)*	Home Office, 2006 Scottish Government, 2009
Recreational drug user	£134 (annual)*	Scottish Government, 2009
Foster care	£20,500 (annual) £34,400- £46,800 (annual)	Jones et al., 2006 Nixon et al., 2006
Local authority residential unit	£72,800	Walker et al., 2006 (per annum, per child)
Local authority secure care	£193,700	Walker et al., 2006 (per annum, per child)
Permanent school exclusion	£20,110	Pawson et al, 2009 (based on 2005 figures- per annum, per child)
Persistent truancy	£706- £1,2000	Pawson et al, 2009 (based on 2005 figures- per annum, per child)

*These are the calculated total costs to the public purse and society. All of the other figures relate to the direct short-term costs to the lead agency or agencies managing the risk.

+ The DfE Negative Outcomes Costings Tool figures are quoted in Local Government Leadership and City of Westminster (2010).

4. Rochdale Families Project

The cost of the Rochdale Families Project (RFP) was £225,799* There were 18 families supported by the RFP, giving a unit cost per family of £12,544.

The evaluation tracking of 14 of the 18 families supported by the RFP indicated that:

- There was a reduction of 50 per cent in recorded police incidents. This represented 28 fewer incidents. We do not have an available unit cost per police attendance at an incident and subsequent investigation/ follow up costs.
- There was no significant change in rent arrears or housing nuisance.
- In at least two family cases, there was a significant risk of eviction but this risk was prevented or reduced during the RFP intervention period.
- In several family cases, problematic and recreational drug use was significantly reduced.
- There was at least one family case where RFP intervention appears to have been instrumental in preventing a child being taken into care.
- In several family cases, children's exclusion from, or non-attendance at, school (and subsequent enforcement action), was prevented or significantly reduced.
- In several family cases, involvement in anti-social behaviour or criminal activity was reduced and/or family members supported to adhere to conditions of existing legal orders; thereby reducing the risk of further enforcement action and associated costs.

Although we do not have the capacity to conduct a robust cost-benefit analysis, these outcomes, when related to the risk costs presented in Table 1 above, suggest that the direct short term savings accrued through the reduction of risks will have been significant and will have, at the very least, recouped a substantial proportion of the RFP direct costs. This assessment does not factor in savings arising from the reduction of agency duplication and freeing up of other agency resources (both outcomes reported during the evaluation); potential longer term savings; or the non-economic benefits of the intervention.

*This is based upon figures presented to the RFP Steering Group on 7 February 2011 and excludes other elements of NDC support, including the Sheffield Hallam University evaluation and the Families Development Project. This figure does not include resources provided to the RFP by other agencies, for example premises, referral services etc.).

5. Conclusions

Calculating the economic cost benefits of family interventions, including family intervention projects, is complex and methodologically challenging. Previous research evidence from national and local evaluations of family intervention projects has indicated that they represent good value for money and often achieve significant cost savings for public agencies. The costs associated with a range of risk factors linked to vulnerable families have been calculated and are substantial. The limited evidence from the evaluation of the Rochdale Families Project suggests that significant direct and short term savings for agencies will have been achieved and that these savings are likely to have, at the least, offset a substantial element of the direct costs of the Project. There are also likely to have been longer term financial savings in addition to non-economic positive outcomes.

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