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# Neighbourhood Management: Scoping Costs & Benefits

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Report to the Kendray  
Initiative, Barnsley Council  
& GOYH

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## NRA report to the Kendray Initiative, Barnsley Council and the Government Office for Yorkshire and Humber

### Contents

1. Summary .....	2
2. Introduction.....	5
2.1 Background .....	5
2.2 Objectives .....	5
2.3 Work undertaken.....	6
2.4 Methodological challenges.....	7
3. Findings.....	11
3.1 Lines of enquiry .....	11
3.2 Key points from the analysis.....	15
3.3 Other reported benefits .....	16
3.4 Contribution and attribution.....	16
4. Conclusions & Recommendations .....	18
4.1 Value of the exercise .....	18
4.2 Follow-up .....	18
4.3 Thinking ahead .....	19
Appendix A Evidence from other NMPs.....	21
Community Counts (Gloucester) .....	21
Interlock (Basildon) .....	21
Stanley Green Corridor (Derwentside).....	22
Appendix B Average Costs to the Criminal Justice Service.....	23

# 1. Summary

## *Objectives*

This project has sought to inform work in Barnsley to analyse the impacts, costs and benefits of neighbourhood management, focusing especially on financial aspects of 'cost benefit'. In this, it has broken new ground, and contributed to related work as part of the National Neighbourhood Management Evaluation.

The assignment has involved desk research and a variety of meetings and discussions involving Barnsley Council and Kendray NMP staff; the Government Office; the Regional Improvement and Efficiency Partnership; and the Department for Communities and Local Government. Importantly, it has drawn on research evidence provided by the Council's Central Research Team, as well as contact with neighbourhood management initiatives in other parts of the country.

## *Lines of enquiry*

The starting lines of enquiry were illustrations of possible costed benefits identified in the Kendray Initiative paper on Neighbourhood Management 'Roll Out' (September 2007).

- a reduction in the number of empty ('void') properties
- a reduction in fly-tipping and graffiti
- cost savings to the police from a reduction in the number of robberies
- cost savings to the criminal justice system through a reduction in the level of youth offending

Early discussions on the scoping project also highlighted a number of other ways in which the Kendray Initiative has brought, or may, bring financial benefits. These included:

- the impact of the 'Kendray roundabout' (the network of local volunteers and workers from different voluntary and statutory agencies operating in the area) in speeding the development and implementation of new initiatives and facilitating community responses to major issues affecting the area
- savings for private and public sector 'developers' as a consequence of reduced financial risks as a consequence of established and effective local arrangements for community
- other efficiencies in local service delivery, eg, in environmental maintenance

## *Research findings*

The research suggests that:

- while the reduction in empty houses has been significant (from 250 in June 2000 to 7 in June 2007), this is very largely attributable to implementation of the Council's Housing Blueprint for Kendray, and the associated programme of

investment, demolition and changes to housing management policies, rather than to the neighbourhood management pathfinder itself

- there have been savings for the local authority in having to deal with reduced levels of fly-tipping and graffiti, though these appear to be small
- lower crime levels have reduced police costs in the area, freeing resources for work elsewhere (a 43% fall in serious acquisitive crime in Kendray, 2004/05 to 2007/08 converts to an annual estimated saving of £44,000)
- the 'Kendray Roundabout' has brought about (unspecified) time and cost savings and higher outputs compared to other areas (eg, for services to reduce the numbers of young people not in employment, education or training)
- modest savings on the maintenance of grass areas (thanks to resident-influenced redesign of planted areas), offset by increased expenditure on maintaining paths and car parks areas, and the provision of more litter bins

Other evidence gathered from interviewees, resident survey data, etc provides a consistently positive picture in terms of the **contribution** of the Kendray Initiative to the turnaround of the area and higher levels of resident satisfaction – even if it is difficult to unpick the degree to which the gains can be directly attributed and establish a simple cost/ benefit equation for the partnership.

Other significant factors have been in play, most notably the 'Housing Blueprint' for reconfiguring housing in the area, and the associated £50m investment and improved housing management. Increased confidence in the area has seen average house prices in Kendray rise (up threefold in the past six years, with the gap closing relative to Barnsley from -23% to -5%), along with "healthy waiting lists" for social housing (a significant contrast from the outset of the Initiative). BMBC Strategic Housing, Berneslai Homes and developers all credit the Kendray Initiative as making a significant contribution to these gains.

Qualitative benefits reported during the project have included:

*for residents*

- improved access to senior officers (eg, in Police)
- service improvements, eg, through implementation and monitoring of the neighbourhood agreement has led to improved 'clean and tidy' range of services

*for service providers*

- much better knowledge about local needs and service delivery
- greater levels of trust and constructive criticism, leading to better solutions
- extra resources for local service delivery (eg, for environmental maintenance and for parenting work)
- willingness of services at senior manager level to think and act outside the box
- greater success in attracting funding as a consequence of regional and national recognition for the Kendray Initiative
- development of successful models worth implementing elsewhere, eg, the Youth Inclusion and Support Project

### Recommendations

- a) **Explore ways in which the Kendray Initiative (and other neighbourhood management initiatives) could be instrumental, working with local people, in further action not only to improve services but also to support achievement of efficiency savings.** This may involve specifically designed and evaluated pilots (eg, using business process improvement techniques), linked to implementation of neighbourhood charters. This may require some targeted work on activity-based costing to establish the basis for considering possible efficiencies and how resources can be deployed to more productive activities.
- b) **Review what further steps can be taken by Barnsley Council to strengthen the collection and use of neighbourhood level service data, including costs.** Without such data it will be difficult to assess the efficiency and effectiveness of the new arrangements for neighbourhood and area working.
- c) **Test the use of the ‘Mietool’** in developing business cases and assessing options. The Mietool (‘Measuring Improvement and Efficiency’ Tool) has been developed to help local authorities achieve efficiency savings and to facilitate options appraisal, business case preparation, project management and evaluation.
- d) **Explore the scope to request ‘local expenditure reports’ under the provisions of the Sustainable Communities Act 2007.** While the main function of the Act is to create a process for local people to feed ideas for promoting sustainable communities to their local authority and on to government, there is also a power to request ‘local spending reports’ to be prepared by public bodies<sup>1</sup>. By negotiation, this may be used to improve the availability of other service data and expenditure at neighbourhood level.
- e) **Suggest that the Yorkshire and Humber Improvement and Efficiency Partnership:**
- **sets up a project to promote the contribution of neighbourhood management in supporting service improvement and efficiency savings** (eg, through business process improvement techniques).
  - **support action research and networking** on this theme within the region along with wider sharing and benchmarking of costs and benefits assumptions/evidence.

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<sup>1</sup> Guide and consultation on draft guidance at:  
[www.communities.gov.uk/localgovernment/about/sustainablecommunitiesact](http://www.communities.gov.uk/localgovernment/about/sustainablecommunitiesact)

## 2. Introduction

### 2.1 Background

In a matter of months, the Kendray Initiative will have run its course, as a seven-year government funded pilot intended to explore the benefits of neighbourhood management.

Barnsley Council has a new Directorate for Customer and Neighbourhood Services and begun to consider plans for rolling out the neighbourhood approach more widely within the district. Decisions on this will be influenced by the experience of the Kendray Initiative as a Neighbourhood Management pathfinder (NMP) and of the 'Neighbourhood Element' initiative in New Lodge and Athersley.

### 2.2 Objectives

The brief was to **scope the work needed for an analysis of the impacts, costs and benefits of neighbourhood management** in Barnsley, to provide evidence for decision makers in considering the introduction of neighbourhood management approaches in other areas.

The assignment has **sought to generate better shared understanding of available information and gaps in evidence, and what needs to be done to address these**. It has built on initial business case work undertaken by Ian Smith, Kendray Neighbourhood Manager, and has been informed by interviews of key players undertaken by Liz Pitt, Principal Research Officer, Barnsley Council.

The work has **focused especially on financial 'cost benefit'** of neighbourhood management - an under-explored area in the evaluation of neighbourhood management nationally. In this, it complements other evaluation aspects, especially surveys of resident opinions and monitoring of community outcomes.

The exercise has been primarily *forward looking*, while acknowledging that the future business case will inevitably rely on evidence from evaluation of the NMP to date. We have sought to explore links between neighbourhood management and local government efficiency agendas, given the potential to bridge different strands of improvement work in a local government and LAA context.

Beyond Barnsley, many other localities are considering their approaches to place shaping in response to the Local Government White Paper 2006. The Government Office for Yorkshire and Humber, in sponsoring this NRA assignment, anticipated that it would generate thinking and evidence that could be of interest more widely, and we have linked to current work by Cambridge Economic Associates (Peter Tyler, Angela Brennan and Colin Warnock), members of the Neighbourhood Management Pathfinder national evaluation team.

## 2.3 Work undertaken

The assignment has involved desk research and a variety of meetings and discussions involving Barnsley Council and Kendray NMP staff; Government Office Yorkshire and Humber; Yorkshire & Humber Regional Improvement and Efficiency Partnership; Cambridge Economic Associates<sup>2</sup>; and the Department for Communities and Local Government.

In line with the brief, the local interviews concentrated on The Kendray Initiative and sought to explore:

- impact achieved by the neighbourhood management pathfinder
- costs involved in supporting a neighbourhood management approach, and how these compare to typical costs suggested by the National Evaluation
- benefits realized both in terms of service improvements and any 'savings' that may have been generated
- extent to which benefits and impact can be attributed to the work of the NMP

Desk research involved a wide internet scan for relevant materials, on topics such as:

- evaluation, eg, on:
  - impact of neighbourhood management and of community engagement
  - attribution and contribution analysis
- cost benefit analysis, eg, on early intervention programmes
- efficiency<sup>3</sup>, including recent reports for CLG on activity based costing; and the Mietool, developed to assist local authorities in business case preparation and achieving efficiency savings
- neighbourhood policing, Linkage Plus and other public service developments focusing on better use of resources through collaborative service delivery
- business case literature in public services

We also made telephone contact with local authorities which we identified as having undertaken relevant work on financial costs and benefits: Mansfield, Derwentside (Green Corridor NMP), Gateshead and Hull. Other areas were subject of targeted on-line searches, such as Nottingham at the time of the 'Early Intervention City' launch.

We arranged an e-circular to all NMPs for up-to-date examples of evaluations and business cases which provide details of financial costs and benefits. This brought replies from Basildon (Interlock) and Gloucester (Community Counts): two out of 35 NMPs.

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<sup>2</sup> Cambridge Economic Associates are part of the National Neighbourhood Management Evaluation team led by SQW. Their final report on the 'Measuring Public Services at a Neighbourhood Level' strand is to be published later in 2008. A toolkit on Using Data to Improve Services and a 'Lessons and Challenges' report are available at [www.sqw.co.uk/nme/reportdownloads.htm](http://www.sqw.co.uk/nme/reportdownloads.htm)

<sup>3</sup> In this, we were able to draw on a scan of draft RIEP strategies Educe had undertaken for another CLG project.

## 2.4 Methodological challenges

The soundness of business cases and impact evaluations depends on the methodological rigour, the quality of data gathered, and how this evidence is interpreted. Where the focus is on achieving *outcomes*, there needs to be a logical framework, or theory of change, which associates activities, outputs and outcomes in ways which are testable.

When looking at the evaluation of benefits and impact at neighbourhood level, data is often scarce – and consequently we are very much exploring the ‘art of the possible’.

Methodological challenges include:

### a) Data

It is difficult to answer questions about efficiency, economy and *cost-effectiveness* without *cost* data, and typically, the costs of resources/ inputs may be:

- not recorded
- not recorded in a form suitable for use/ analysis at neighbourhood level, or
- recorded but involving significant costs in assembling and/or analysing the data

...while outcome data also may be lacking and/ or costly to gather.

### Calculating the costs of delivering public services

A requirement for delivering service improvements, achieving efficiencies and releasing resources for front-line services, is good quality data on the costs of delivering these services. This should enable comparison between areas and exploration of alternatives.

Typically costs may be analysed top-down or bottom-up. The **top-down approach** starts with the cost data as found in a council’s accounts ledger, with elements apportioned to individual services and areas of activity in order to derive a cost per ‘unit’ (such as how much it costs to process a benefits claim).

The bottom-up approach, called Activity Based Costing (ABC) starts with the activities themselves (eg, how much it costs to keep a park free of litter) and calculates the resources consumed by these. Costs are then attributed, which can then be converted into costs for an ‘end-to-end’ process.

There is growing interest within local government in ABC, as part of the drive for efficiency savings and service improvement, and is being promoted by CLG and Regional Improvement and Efficiency Partnerships<sup>4</sup>. ABC also lends itself to applications at neighbourhood level.

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<sup>4</sup> CLG (2008) Delivering Efficiency: Understanding the Cost of Local Government Services

<http://www.communities.gov.uk/documents/localgovernment/pdf/730431.pdf>

CLG (2007) Building Capacity to Improve Local Services: Using Business Process Improvement Techniques <http://bip.rcoe.gov.uk/rce/core/page.do?pageId=42675>

The ABC approach also usefully encourages distinctions to be made in assessing how activities contribute to desired results: they may be:

- value adding (activities which directly contribute to achieving service objectives and LAA targets)
- sustaining (activities which are a prerequisite for delivering the service)
- waste (activities which do not create value or are required in delivering the service – eg, poorly chaired ‘partnership’ meetings)

National evaluation of process improvement pathfinders has highlighted the potential of ABC, even when cost data is not especially accurate. stressing its role as a useful way of exploring and prioritizing opportunities for improvement. This was also recognised by the Flanagan Review of Neighbourhood Policing, as a tool for local evaluation improvement despite criticisms of a blanket requirement on police forces to use ABC.

### *b) ‘Attribution’ and ‘Contribution’*

In assessing the value and impact of Neighbourhood Management pathfinders, it is important to establish the extent to which observed changes can be attributed to the work of the NMP, as distinct from the effects of other factors (eg, changes in housing allocations policy and in welfare-to-work policy, and in the buoyancy of the local labour market).

While it can be very difficult to disentangle such factors, it is sensible to be pragmatic, and be prepared to elicit estimates of the extent to which the NMP may have contributed. By obtaining evidence from different sources, it should be possible to derive rough approximations.

It is in any case helpful to think in terms of ‘contribution’ rather than ‘attribution’<sup>5</sup> when evaluating partnerships which are intended to act as catalysts for change in a context where other regeneration efforts are being pursued.

So-called ‘contribution analysis’ in evaluation methodology takes as its starting point the logic behind the intervention. It is then a case of identifying and documenting changes; tracking relevant indicators; blending, or ‘triangulating’ other sources of evidence; and discussing and testing alternative explanations - in this case theories of change linking neighbourhood level activities with service changes and improvements in community outcomes. The search is for “*plausible association*”: whether “*a reasonable person, with knowledge of what has been delivered and the outcomes that have actually occurred, would agree that the intervention contributed to those outcomes*”<sup>6</sup>.

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<sup>5</sup> John Mayne (1999) Addressing Attribution Through Contribution Analysis: Using Performance Measures Sensibly (Office of the Auditor General of Canada)  
[http://www.oag-bvg.gc.ca/internet/docs/99dp1\\_e.pdf](http://www.oag-bvg.gc.ca/internet/docs/99dp1_e.pdf)

<sup>6</sup> Based on Hendricks (1996) *Performance Monitoring: How to Measure Effectively the Results of Our Efforts*. American Evaluation Association Annual Conference

c) *Differentiating types of costs and benefits*

Clear distinctions need to be made between different types of benefits and costs, for example between:

- those that are one-off financial savings, and those that are ongoing<sup>7</sup>
- those that accrue to the local authority, and those that apply to other parts of the public sector (the Treasury as well as local partner agencies)

Savings may take the form of re-allocations of spend to other objectives, and in some cases will accrue across organizational boundaries.

Looking to future funding of neighbourhood management, it is also helpful to consider the distinct benefit streams from *core activities* (those of partnership broker and community engagement) and from *projects* (where additional activities are being funded to improve local quality of life and opportunities).

It may be appropriate in future work looking at neighbourhood management costs and benefits to bear in mind changes in thinking and practice within central government, where 'invest to save' principles are being explored in new ways. DWP, for example, is interested in reforming their budgeting whereby expenditure on specific welfare-to-work programmes may be increased in the short term where there is evidence that these activities will have a demonstrable impact in *reducing* future benefits outlay<sup>8</sup>.

d) *Neighbourhood management as preventative activity*

Effective neighbourhood management may be viewed as:

- providing 'insurance': whereby neighbourhood management strengthens community engagement, trust and social capital and reduces the likelihood that relatively high costs will be experienced by service deliverers as a consequence of disaffection within the community and anti-social behaviour
- contributing to ongoing savings over time - where, eg, increased pride in the area leads to greater responsibility for maintaining environmental standards and thus to savings from reduced requirements for removing fly tipping, graffiti and litter

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<sup>7</sup> In reporting on efficiency savings, local authorities are required to identify clearly those value for money gains that are: (a) net of investment and ongoing costs required in securing the savings; (b) ongoing (if savings are one-off the value of the saving must be reduced accordingly); (c) cash-releasing: those efficiencies that reduce the level of resource required to achieve the same or better outputs, allowing resources to be redeployed

<sup>8</sup> This relates to so-called 'AME-DEL' - an acronym of two Treasury budget headings: Annual Managed Expenditure and Departmental Expenditure Limits. Benefits - currently £37 billion for those of working age are paid for under AME, controlled annually. Welfare-to-work programmes are, however, paid for from the much smaller three year departmental budget set aside for them - around £420m in 2006/7 - covered by DEL. Such transfers are the basis for current discussions between DWP and the LGA.

In playing an effective role in raising expectations about service standards, neighbourhood management may lead to *additional* costs for services – but with the prospect of reducing costs in the longer term<sup>9</sup>.

*d) Intangible benefits*

This scoping exercise focuses on what can be *quantified in financial terms* – while the wider evaluation of the Kendray Initiative and other neighbourhood management arrangements must take into account non-financial benefits and outcomes as well. These may include, for example, the following types of benefit and outcome already demonstrated in Kendray:

- building and sustaining social capital
- transforming the physical environment
- reducing crime and anti-social behaviour
- strengthening user engagement with public services, leading to improvements in service quality
- transforming the image of the area from a ‘place to avoid at all costs’ to a desirable place to live

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<sup>9</sup> This was a finding of the national Neighbourhood Wardens evaluation.  
[www.crimereduction.homeoffice.gov.uk/wardens/wardens32.htm](http://www.crimereduction.homeoffice.gov.uk/wardens/wardens32.htm)

## **3. Findings**

### **3.1 Lines of enquiry**

The initial lines of enquiry were illustrations of costed benefits identified in the Kendray Initiative paper on Neighbourhood Management 'Roll Out' (September 2007).

- a reduction in the number of empty ('void') properties managed by Berneslai Homes. The numbers fell from 250 in June 2000 to 7 in June 2007, with an annual financial net benefit to Berneslai Homes estimated by KNMP of £260,000<sup>10</sup> (This estimate excludes financial benefits from likely reductions in the costs of emergency repairs to make properties safe and remediating damage caused by vandalism)
- a reduction in fly-tipping and graffiti, with improved 'clean and tidy' range of services flowing from the implementation and monitoring of the neighbourhood agreement
- cost savings to the police from a reduction in the number of robberies
- cost savings to the criminal justice system through a reduction in the level of youth offending, attributable to diversionary activities and improved joined-up working between agencies

Early discussions on the scoping project also highlighted a number of other ways in which the Kendray Initiative has brought, or may, bring financial benefits. These included:

- the development of the so-called 'Kendray roundabout', the network of local workers from different agencies working in the area, and how these relationships can speed the development and implementation of new initiatives and facilitate community responses to major issues affecting the area
- savings for 'developers': where capital investments are being made, there are many risk factors which can affect successful implementation, financial management and returns. Failures in engaging local communities can lead to additional costs for the public authority (eg, where feedback requires changes to project specifications late in the day) and for private contractors (eg, through increased interest payments to finance cash flow, or from penalties for late delivery)

Investigation on the ground was carried out by Liz Pitt, Barnsley MBC through a series of interviews of with key individuals in a position of being able to comment on Kendray Initiative impact and supply data. These concentrated on Barnsley BMC functions and services, and did not include the police criminal justice system.

Essentially, we have sought to review the evidence to back up the outline case made by the Kendray Initiative last September, and to explore other possible ways in which

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<sup>10</sup> This estimate took account of the changes in the local housing market by 2007 and the reduction in the number of social housing properties in Kendray. It assumes 100 'rents' received in 2007 that were not received in 2000 = £260,000 (rent @ £50 x 100 x 52 weeks)

neighbourhood management might, or has, demonstrated financial benefits. The project has been like ‘peeling away layers of an onion’, with successive stages of questions revealing further possibilities for exploration and data analysis.

Table 1 on the following pages summarises what between us we have established to date. It sets out:

- the contributions of the Kendray Initiative in addressing objectives in the delivery plan (how Kendray Initiative activities are expected to lead to efficiencies and success in improving community outcomes)
- sources of financial efficiencies (where savings may have been made or resources freed up for use elsewhere or on further local service improvements) – potential or actual
- improvements in community outcomes which might be expected from the Kendray Initiative activities – potential or actual
- evidence gathered

It does not attempt to capture all possible indicators of the impact of the Kendray Initiative, and is primarily concerned to explore financial aspects.

Appendix A provides some related evidence gathered from other Neighbourhood Management pathfinders. (We comment briefly on these in 4.2 below.)

Table 1 Kendray Initiative: Efficiencies and Effectiveness

	NMP contribution	Resource saving or releasing	Increased effectiveness	Evidence gathered	Comments
Support for young people & vulnerable families	<ul style="list-style-type: none"> <li>▪ Youth Inclusion &amp; Support Project</li> <li>▪ Youth Participation Project</li> <li>▪ diversionary activities</li> <li>▪ youth shelter (Pod)</li> <li>▪ Kendray roundabout</li> </ul>	<ul style="list-style-type: none"> <li>▪ reduction in young people going through CJS</li> <li>▪ child protection referrals reduced</li> <li>▪ social services (benefit “<i>never seen as other cases come up the list to take their place</i>” )</li> <li>▪ ease in setting up Crime &amp; Safety sub-group</li> </ul>	<ul style="list-style-type: none"> <li>▪ increased service take-up</li> <li>▪ child protection referrals reduced</li> <li>▪ reduction in crime and ASB</li> <li>▪ better outcomes for vulnerable people</li> </ul>	<ul style="list-style-type: none"> <li>▪ average cost to CJS for range of offences (Home Office research 2003 – see Appendix B)</li> </ul>	<ul style="list-style-type: none"> <li>▪ no evidence available on Crime Concern YISP provision to 2007 + lack of national comparative data</li> <li>▪ need for modelled estimates</li> </ul>
Lifelong learning, training & jobs	<ul style="list-style-type: none"> <li>▪ Kendray roundabout</li> <li>▪ skills audit</li> </ul>	<ul style="list-style-type: none"> <li>▪ ease in setting up project delivery group – hit the ground running (benefit for LSC contractor)</li> <li>▪ reduction in staff time for provider</li> </ul>	<ul style="list-style-type: none"> <li>▪ improved services: eg, Skills for Life, reducing NEET</li> <li>▪ increased service take-up &amp; outcomes (eg, qualifications, jobs) (better than comparator areas)</li> <li>▪ higher local aspirations</li> </ul>		<ul style="list-style-type: none"> <li>▪ no financial data available</li> </ul>
Improving health & emotional wellbeing	<ul style="list-style-type: none"> <li>▪ audit of services/ interventions</li> <li>▪ financial advice</li> </ul>		<ul style="list-style-type: none"> <li>▪ improved services</li> <li>▪ increased service take-up</li> <li>▪ changes in resident behaviour, leading to improved health</li> <li>▪ reduced stress</li> </ul>		<ul style="list-style-type: none"> <li>▪ no financial data available</li> </ul>
Estate/ environmental management	<ul style="list-style-type: none"> <li>▪ Neighbourhood Pride</li> <li>▪ resident engagement/ consultation</li> <li>▪ neighbourhood caretaker</li> <li>▪ Central Area Park – monitoring management &amp; maintenance</li> <li>▪ audit of sites with improvement potential</li> </ul>	<ul style="list-style-type: none"> <li>▪ reduction in areas of derelict land to manage (part of estate improvement programme)</li> <li>▪ reduction in fly-tipping &amp; graffiti (faster local dealing with problems) – also other vandalism</li> </ul>	<ul style="list-style-type: none"> <li>▪ better quality environmental improvements</li> <li>▪ reduction in fly-tipping &amp; graffiti</li> <li>▪ resident behaviour (including recycling)</li> <li>▪ “<i>willingness to report and progress matters</i>” (Strategic Housing)</li> </ul>	<ul style="list-style-type: none"> <li>▪ data on service delivery costs</li> <li>▪ PIs on standards and average cost per sq m of keeping lands &amp; highways clear of litter &amp; detritus; missed bins per 100,000 collections; also cost of waste collection per household pa</li> </ul>	<ul style="list-style-type: none"> <li>▪ presumed longer term savings</li> <li>▪ reduction in vandalism not known</li> </ul>

	NMP contribution	Resource saving or releasing	Increased effectiveness	Evidence gathered	Comments
Housing & development	<ul style="list-style-type: none"> <li>resident engagement/consultation</li> <li>influence local housing mix and local lettings plan</li> </ul>	<ul style="list-style-type: none"> <li>reduced no of voids in properties (Berneslai Homes) + faster lettings</li> <li>higher income for BMBC from increased land values through joint venture arrangements</li> </ul>	<ul style="list-style-type: none"> <li>"healthy waiting lists" for social housing in the area</li> </ul>	<ul style="list-style-type: none"> <li>estimate 100 'rents' received in 2007 not received in 2000 = £260,000 pa</li> </ul>	<ul style="list-style-type: none"> <li>not directly attributable to Kendray Initiative</li> </ul>
	<ul style="list-style-type: none"> <li>resident engagement/consultation on development projects</li> </ul>	<ul style="list-style-type: none"> <li>faster project development times</li> <li>benefit to developer cash flow (reduced interest payments); contract penalties avoided</li> </ul>			<ul style="list-style-type: none"> <li>financial data not available</li> </ul>
Community safety	<ul style="list-style-type: none"> <li>Safer Neighbourhood agreement</li> <li>SmartWater packs</li> </ul>	<ul style="list-style-type: none"> <li>community support for Berneslai Homes Impact Teams</li> <li>reduced crime &amp; ASB frees resources</li> </ul>	<ul style="list-style-type: none"> <li>reduced crime (eg, robberies)</li> <li>reduced ASB</li> </ul>	<ul style="list-style-type: none"> <li>South Yorks Police note reduction in robberies as releasing staff time (not costed)</li> <li>average cost to CJS for range of offences (Home Office research 2003 - see Appendix B)</li> </ul>	<ul style="list-style-type: none"> <li>data lacking on ASB, graffiti, etc</li> </ul>
Promoting Kendray & building its strength	<ul style="list-style-type: none"> <li>resident engagement (eg, Environmental Working Group)</li> <li>action research skills</li> <li>community development &amp; health course</li> <li>communications: website, newsletter, etc</li> </ul>	<ul style="list-style-type: none"> <li>new voluntary sector service provision?</li> </ul>	<ul style="list-style-type: none"> <li>community confidence</li> <li>community attachment/pride</li> <li>reduced fear of crime</li> <li>improved external perceptions &amp; confidence in the area</li> <li>greater community/ self help &amp; social capital</li> <li>VCS 'vitality'</li> </ul>	<ul style="list-style-type: none"> <li>contribution to increased house values (rise in Kendray from £35,272 in 2001 to £105,136 in 2006; - compares with Barnsley, from £45,987 to £110,430 over the same period)</li> </ul>	

## 3.2 Key points from the analysis

Key points from the analysis are:

- the main areas where financial benefits have been or could be realised relate to the physical environment aspects of the work of Kendray Initiative
- much of the data needed to draw firm conclusions has been lacking, though investigations have turned up new sources
- the scoping has drawn attention to other evidence of neighbourhood management benefits, helpful for wider evaluation purposes

With regard to specific activities and services:

- modest savings on the **maintenance of grass areas** (thanks to resident-influenced redesign of planted areas) have been achieved, offset by increased expenditure on maintaining paths and car parks areas, and the provision of more litter bins (which need emptying - the biggest single factor in cost increases in the three areas). Expenditure has gone up by nearly 11% overall in Kendray 2005-08.
- a **reduction in fly-tipping and graffiti** in Kendray has allowed Neighbourhood Pride to shift resources to other parts of Barnsley
- the reduction in **housing voids** has brought cost savings, but are the result of the implementation of the Housing Blueprint. Views from BMBC Strategic Housing are that while the NMP has *contributed* to bringing this about and the voids being maintained on a low level, the financial gains would have happened anyway
- the 'Kendray Roundabout' has brought about time and cost savings and higher outputs compared to other areas (eg, for an LSC contractor working to reduce the numbers of 'NEET' - not in employment, education or training - young people)

In addition, future analysis can make use of average figures from the Home Office in relation to the costs of dealing with offences in the criminal justice system<sup>11</sup> (see Appendix B). South Yorkshire Police have acknowledged that Kendray, once 'top of the league', is now no longer the challenge it was, allowing resources to be deployed elsewhere. There was a fall in serious acquisitive crime<sup>12</sup> of 43% in Kendray between 2004/05 and 2007/08, which converts to an estimated saving annual of £44,000. The fall in this crime rate exceeded that for Barnsley as a whole by 80%).

Overall, the available data suggests improved services leading to higher resident satisfaction (part of a wider picture of neighbourhood improvements) - but there is little to say on economies/ efficiencies.

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<sup>11</sup> Drawn to our attention by CEA. Source: Home Office (2003) 'The economic and social costs of crime against individuals and households 2003/4 - RDS Report 30/05

<sup>12</sup> The definition of serious acquisitive crime covers burglary, robbery and theft from motor vehicles

### 3.3 Other reported benefits

The interviews and related research have elicited a range of other benefits from the work of the Kendray Initiative. These include:

*for residents*

- improved access to senior officers (eg, in the Police)
- service improvements, eg, through implementation and monitoring of the neighbourhood agreement has led to improved ‘clean and tidy’ range of services

*for service providers*

- generating a “*wealth of knowledge*” on local needs and service delivery
- greater levels of trust and constructive criticism (“*having people with other perspectives to sound off against helped to design and implement better improvements*” – Neighbourhood Pride) - leading to better solutions
- funding (eg, for two additional sweeping machines for Neighbourhood Pride; parenting initiative - Youth Task Force)
- willingness of other services at senior level to think and act outside the box
- easier to attract funding as a consequence of regional and national recognition for the Kendray Initiative as a Neighbourhood Management pathfinder (eg, in making the case for housing investment to the Housing Corporation and Regional Housing Board)
- developing successful models worth implementing elsewhere, eg: the Youth Inclusion & Support Project rolled out to Athersley

### 3.4 Contribution and attribution

The facts and observations assembled during the course of this exercise has generated some good evidence of the impact of the Kendray Initiative in terms of its **contribution** to the turnaround of Kendray as an area and higher levels of resident satisfaction (as demonstrated in the responses to household surveys carried out by IPSOS-MORI as part of the national Neighbourhood Management Pathfinder evaluation).

However, there is no doubt that other significant factors have been in play, most notably the ‘Housing Blueprint’ for reconfiguring housing in the area, and the associated £50m investment. The Blueprint has involved demolitions; new build; improved housing design; and improved housing management (eg, in dealing with problem neighbours/ properties)<sup>13</sup>. And more widely, the buoyant economy and level of demand in the housing market has been a factor in ensuring that the renewal plans have been successful. Indicators of success include Increased average house prices in Kendray (up threefold in the past six years, with the gap closing relative to Barnsley from -23% to -5%), along with “healthy waiting lists” for social housing (a significant contrast from the outset of the Initiative).

As pointed out in Section 1, **attribution** is a more difficult question, with several interviewees, especially on the housing side, considering that the big gains in improving

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<sup>13</sup> A Section 106 agreement with Haslam Homes also provided an additional budget for local improvements.

the housing stock and demand for housing, and reducing voids, would have happened anyway. However, the role of the Kendray Initiative was typically still acknowledged as a factor, and Haslam Homes reported that the work of the Initiative gave them extra confidence to invest in the area.

One way of drawing out attribution in future evaluation would be to ask the relevant stakeholders to estimate how much of reported, costed improvements could be attributed to neighbourhood management (say on a percentage scale). Even at low levels, this may add up to significant amounts. Questions can tease out whether the initiative has led to changes which would not have happened otherwise, or have happened faster and/ or in better ways - and again interviewees can be asked to comment on the extent to which these benefits have been realised.

## 4. Conclusions & Recommendations

### 4.1 Value of the exercise

The scoping work has proved a valuable exercise, in essence exploring what's needed to produce a financially robust business case for neighbourhood management and targeted improvement in services. In this it has covered largely new ground for neighbourhood renewal, with few other examples of costed analyses being turned up through an extensive trawl of other Neighbourhood Management pathfinders and neighbourhood renewal sources. It also helped to generate fresh thinking about the contribution of community engagement and networking amongst field staff leading to faster, better solutions for local needs and spin-off benefits, eg, for public agency suppliers (eg, on learning and skills) and for construction projects.

Additionally, the parallel interviews undertaken by BMBC Policy have assembled significant, positive feedback regarding the value of the Kendray Initiative.

### 4.2 Follow-up

While some lines of enquiry have borne little fruit, new lines have opened up, with early analyses establishing the case<sup>14</sup> for:

- undertaking a fuller analysis of financial and service data relating to environmental maintenance, incorporating other information, eg, from Neighbourhood Pride
- following up on vandalism data, eg, vandalism in play areas
- carrying out analyses using average cost data relating to the Criminal Justice System can to shed light on financial benefits and future priorities for resource allocation

Despite some extensive trawling, we came across very few examples in other parts of the country where financial analysis at neighbourhood level was being used to inform service improvement, or even support business cases for neighbourhood management. Appendix A provides one example of business case arguments (based, eg, on nominal staff time savings from reduced crime and ASB) and two examples of savings identified at project level (reduced hospital appointments through an outreach diabetes nurse service; and reduced fly tipping from an Environmental Caretaker scheme). In addition, our trawl of reports on preventative/ early interventions, found little financial cost/benefit evidence (eg, with no evidence presented by Nottingham in launching their 'Early Intervention City' concept). Other examples we found tended to relate to national programmes (eg, DWP welfare to work schemes) or to public health, with limited direct application to neighbourhood management<sup>15</sup>.

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<sup>14</sup> These have been pursued separately by the Central Research Team in Barnsley Council.

<sup>15</sup> The national evaluation of Linkage Plus, a collaborative initiative to join up services for older people, led by DWP, may generate relevant material, but not until early next year. See DWP (2007) Towards a Business Case for Linkage Plus

[http://www.dwp.gov.uk/asd/asd5/report\\_abstracts/wp\\_abstracts/wpa\\_042.asp](http://www.dwp.gov.uk/asd/asd5/report_abstracts/wp_abstracts/wpa_042.asp)

### 4.3 Thinking ahead

Going beyond matters of financial data for evaluation purposes, this assignment has raised ideas for how neighbourhood management could be integrated more closely with the local government efficiency agenda.

**We recommend:**

a) **exploring ways in which the Kendray Initiative (and other neighbourhood management initiatives) could be instrumental, working with local people, in further action not only to improve services but also to support achievement of efficiency savings.** This may involve specifically designed and evaluated pilots (eg, using business process improvement techniques), linked to implementation of neighbourhood charters. This also **may require some targeted work on activity-based costing** to establish the basis for considering possible efficiencies and how resources can be deployed to more productive activities.

b) **reviewing what further steps can be taken by Barnsley Council to strengthen the collection and use of neighbourhood level service data, including costs.** The final column in Table 1 in Section 3 notes a significant number of data gaps. Without such data it will be difficult to assess the efficiency and effectiveness of the new arrangements for neighbourhood and area working.

We suggest that the experience of Hull is followed up, where housing landlord and street scene services have been combined into seven business units working with area forums. Hull CC finance department developed area budgets, and costs of service delivery are currently being monitored to see what efficiencies are realised. This was the closest example we found which is looking at service costs and improvement at neighbourhood level.

c) **that the ‘Mietool’ is tested for its value in developing business cases and assessing options.** The Mietool (‘Measuring Improvement and Efficiency’ Tool) has been developed to help local authorities achieve efficiency savings and to facilitate options appraisal, business case preparation, project management and evaluation. It is spreadsheet-based and training materials are available to support its implementation. Potential advantages include:

- a focus on efficiency within options appraisal
- a discipline in estimating costs/ savings, coupled with assessment of the reliability of the being data used – on the principle that it’s better to try to make financial estimates than not at all, and to refine these with experience

d) **that scope to request ‘local expenditure reports’ under the provisions of the Sustainable Communities Act 2007 be explored.** While the main function of the Act is to create a process for local people to feed ideas for promoting sustainable communities to their local authority and on to government, there is also a power to

request 'local spending reports' to be prepared by public bodies<sup>16</sup>. By negotiation, this may be used to improve the availability of other service data and expenditure at neighbourhood level.

In pursuing these suggestions to improve financial data for service improvement, a number of obstacles will need to be addressed. These may variously relate, eg, to:

- the structure of existing financial systems, not designed for neighbourhood level service analysis
- a lack of priority or incentives in the system to provide/ analyse available data
- additional work involved for people who hold the data
- perceived difficulty in analysing data available
- a reluctance to *begin* the process, if seen as too difficult

Finally, we suggest that a project is developed to put to the Yorkshire and Humber Improvement and Efficiency Partnership which develops the role of neighbourhood management in supporting business process improvement. The Improvement Partnership could also be asked to support action research and networking on this theme within the region along with wider sharing and benchmarking of costs and benefits assumptions/ evidence.

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<sup>16</sup> Guide and consultation on draft guidance at:  
[www.communities.gov.uk/localgovernment/about/sustainablecommunitiesact](http://www.communities.gov.uk/localgovernment/about/sustainablecommunitiesact)

## Appendix A Evidence from other NMPs

### Community Counts (Gloucester)

Community Counts have financial cost benefit information for our diabetes specialist nurse (DSN) intervention, funded for two years, and subsequently mainstreamed. The presence of a DSN was aimed at preventing inappropriate visits to hospital.

Community Counts gathered information on the number of appointments and follow up referrals and the costs that would have been incurred had they gone to hospital (£200 per initial appointment and £94 per follow-up one). The lower savings in year one were explained by the time taken to set up clinics and make contacts in the community.

Cost for DSN: £38,000

Savings made year 1: £13,072

Savings made year 2: £37,012

Savings made year 3: £39,360

### Interlock (Basildon)

A business case for LSP partner funding beyond 2008/09. Estimates of savings, on basis of continuing expenditure of £100,000 pa:

- reduction in Police officer time from reduction in recorded crimes target (10 hours per crime = saving £22,500 pa)
- blood tests conducted in multi-agency clinic (£2,200 pa)
- reduction in local authority and police time in dealing with litter, graffiti and vandalism (10 hours/week = saving £66,000 pa)
- improved levels of educational attainment/ reduced school exclusions (saving £10,000 in Year 1, £20,000 Year 2, £40,000 Year 3)
- cash benefits to the area from reduction in youth crime/ ASB, and from benefits advice/ money management skills (through a supported CAB project) (£200,000 pa)

The case was put to the council/ LSP of the consequences if the decision was to close the neighbourhood management pathfinder as the 'exit strategy', highlighting:

- costs of increased level of recorded crime
- loss of revenue from PCT
- cost of increased level of vandalism and graffiti
- 'loss of support interventions to adults, children and families'
- 'loss of outreach work'

An outline business case was also made for extension of the approach to another neighbourhood.

## Stanley Green Corridor (Derwentside)

Information from the national Neighbourhood Management evaluation

### **CASE STUDY – GREEN CORRIDOR NMP, DERWENTSIDE**

The Environmental Caretakers Scheme has seen:

- the development of a service improving the appearance of the area through: grounds and garden maintenance for the elderly and disabled: litter campaigns: and work to deal with and combat fly-tipping.
- this being achieved while also tackling the economic prosperity and worklessness agendas, enabling the employment, re-skilling and support back into work for local residents via the Intermediate Labour Market (ILM) scheme.
- the team's high success rate; there is a level of ownership and trust created as a result of its work and there are cost benefits shown through a reduction in fly tipping and remedial works. In Derwentside for example, the following costs per incident are incurred for the local authority:

■ Single item	£20 per cubic metre
■ Car Boot load	£20 per cubic metre
■ Small van load (equates to 1/8 <sup>th</sup> of a skip)	£20 per cubic metre
■ Transit van load	£20 per cubic metre
■ Tipper lorry load	£1,000 per load
- Figures provided by Derwentside District Council (working on an estimate of 5 cubic metres per incident) indicate a total of around £173k spent on incidents in 2004, a further £65k was spent on tipper lorry loads. With cost for vehicles, materials and management, the figure can be estimated as in excess of £375k each year for the District.
- By comparison the Environmental Caretakers team for the Green Corridor costs about £45k each year. There is further benefit in that the work tackles the issue at source, ensuring it occurs on a far smaller scale, and reducing continuing incident call outs.
- Further benefits of the Environmental Caretakers scheme have been the added value impact on other priorities; for example secondary fires have been reduced by 50% in the Green Corridor area as a result of specific days set up to educate the local community regarding the danger of fly-tipping and potential fires.

Extracted from SQW (2007) 'The Rough Guide to Neighbourhood Management' (National Neighbourhood Management evaluation)

## Appendix B Average Costs to the Criminal Justice Service

Estimated average CJS costs of crimes against individuals and households in 2003/04 by crime type and by cost category (£) 2003 prices

	Police Activity	Prosecution	Magistrates' court	Crown court	Jury service	Legal Aid	Non Legal-Aid defence	Probation Service	Prison Service	Other CJS Costs	CJS o/head	Criminal Injuries Comp	Average total CJS costs
Violence against the person	756	69	19	89	12	148	75	78	411	181	82	10	1928
Homicide	14910	1357	362	1747	233	2919	1478	1396	114457	3572	1612	194	144239
Wounding	740	67	18	87	12	145	73	76	289	177	80	10	1775
Serious wounding	5917	539	144	693	93	1158	586	349	2731	1418	640	77	14345
Other wounding	412	38	10	48	6	81	41	59	134	99	45	5	978
Sexual offences	1524	75	48	157	23	261	144	52	719	150	129	16	3298
Common assault	119	11	3	14	2	23	12	16	13	28	13	2	255
Robbery	878	54	52	74	14	189	90	80	851	215	102	-	2601
Burglary in a dwelling	576	14	14	19	4	34	24	68	309	31	44	-	1137
Theft	134	5	4	3	1	14	5	22	18	2	10	-	217
Not vehicle	191	7	5	4	1	20	7	28	20	3	14	-	301
Of vehicle	81	3	2	2	0	9	3	29	63	1	6	-	199
From vehicle	31	1	1	1	0	3	1	6	4	0	2	-	50
Attempted vehicle theft	17	1	0	0	0	2	1	12	29	0	1	-	65
Criminal damage	76	1	3	2	0	6	3	3	6	20	5	-	126

Source: Home Office 'The Economic and Social costs of crime against individuals and households 2003/4 - Home Office Online Report 30/05