



Department for
Communities and
Local Government

Troubled Families Programme Costs report

Methodology



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Department for Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

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Purpose of the Troubled Families Cost Savings Calculator

To enable upper-tier local authorities and their partners to evaluate the cost benefit of their local delivery of the Troubled Families Programme.

Development

The online troubled families cost savings calculator was developed by the independent evaluators of the Troubled Families Programme: a consortium led by the research organisation Ecorys¹.

The 39 unit costs used in the cost savings calculator (CSC) are drawn from the New Economy Unit Costs Database². These unit costs are based on existing evidence and research and have been quality assured in cooperation with HM Treasury and the relevant government departments. The measures included in the CSC were selected by Ecorys in collaboration with the Department for Communities and Local Government, as those most relevant to the problems affecting troubled families.

Economists from across government departments are working with New Economy to make continuous improvements to the unit costs used in the CSC. The online nature of the tool means it can be updated easily and this will be aligned with periodic updates of the New Economy Unit Cost Database.

Process

The completion of the CSC requires local authorities to enter two forms of information:

- The cost of delivering the Troubled Families Programme in each area (i.e. the cost of family intervention and overhead costs), compared with the cost of targeted interventions which were delivered to families before the programme was introduced. These costs are adjusted to reflect the sample size used.
- The number of reactive incidents or interventions which take place with a sample of families worked with in each year of the programme. These incidents and interventions cover six domains (crime, education, employment, health, housing and social services). A full list is provided in the attached annex. Data is entered for the number of each incident or intervention in the 12 months prior to entering the programme for this sample; and then the 12 months following intervention. The difference between the two figures demonstrates the reduction achieved for each incident type following intervention.

¹ <http://www.ecorys.com/>

² http://neweconomymanchester.com/stories/832-unit_cost_database

No personal or family level data is entered into the CSC. Using the data entered by local authorities and corresponding unit costs drawn from the New Economy Unit Costs Database, the CSC automatically calculates the costs and benefits. The benefits are calculated by multiplying the number of interventions and incidents by their associated unit costs to produce a total annual fiscal cost for the sample of troubled families across each measure. Local authorities are then provided with a summary of these calculations for their local programme. Detailed guidance has been provided to local authorities on undertaking cost benefit analysis and completing the CSC. This guidance is aligned with and includes reference to the HM Treasury [Green Book](#) and [Magenta Book](#) on appraisal and evaluation, respectively.

Sample selection

The CSC first requires local authorities to select a group of families on which to enter data as outlined above. As the CSC spans 39 different measures and the seven local areas included in the report were working with up to 2,000 families each, some areas based their calculation on a sample, rather than their total cohort. Completion on the basis of the total cohort of troubled families was deemed a disproportionate administrative task and expense in these cases. Across the seven ‘exemplar’ areas, five local authorities used a sample, while two local authorities collected data on their full cohort of families.

The data collection methods used represents a significant step forward in evaluating cost and benefits at local authority level. Local authorities sought to use the best available data and to maximise the representativeness of their samples. However, some samples may not be entirely representative.

The CSC is a tool for local areas to evaluate their local services and to thereby inform local investment decisions. The tool therefore provides the flexibility required to be adapted to local approaches. However, this means care should be taken when directly comparing results between local authorities.

The seven local authorities cited in this report all volunteered as ‘exemplars’ to test and develop the CSC and approaches to its completion. As such, the results reported are not the results from the national programme as a whole. Such findings will be provided by the programme’s national evaluation, in summer 2015.

Data Collection

Wherever possible, the seven ‘exemplar’ areas have sought to use data from local administrative systems to complete the CSC. Where this has not been possible, local authorities have used data provided by key workers who work intensively with the families. However, local data collection limitations have prevented local authorities recording information on every measure. Access to local health and housing information was particularly challenging. A summary of data collection by policy area for each local authority is set out in the table below.

Table 1: Data measures collected by local authority and policy area

	Crime	Education	Employment	Health	Housing	Social Services	Total
Bristol	9 of 12	2 of 2	4 of 4	4 of 11	1 of 4	4 of 6	24 of 39
Derbyshire	8 of 12	2 of 2	3 of 4	4 of 11	0 of 4	5 of 6	22 of 39
Manchester	8 of 12	2 of 2	4 of 4	4 of 11	1 of 4	4 of 6	23 of 39
Redcar and Cleveland	12 of 12	1 of 2	4 of 4	11 of 11	2 of 4	6 of 6	36 of 39
Salford	3 of 12	2 of 2	2 of 4	3 of 11	1 of 4	3 of 6	14 of 39
Staffordshire	9 of 12	2 of 2	4 of 4	5 of 11	3 of 4	5 of 6	28 of 39
Wandsworth	11 of 12	2 of 2	4 of 4	5 of 11	3 of 4	4 of 6	29 of 39

Measuring Impact

The CSC estimates the fiscal savings expected from the change that families experienced following support from the Troubled Families Programme. However, it is likely that some improvements in outcomes would have happened in the absence of any intervention. The improvement that would have happened anyway is commonly referred to as ‘deadweight’. As part of the independent national evaluation of the programme, data on a representative comparison group is expected to be used to estimate the outcomes that would have occurred without the programme. This will allow the evaluation of the additional impact of the programme at a national level, and produce estimates of ‘deadweight’ to be used in the CSC in the future. In the interim, the CSC uses the best available ‘deadweight’ estimates, based on whole population changes. However, in the report, all the figures provided are gross.

Conclusion

The aim of the CSC is to enable local authorities to undertake local cost benefit analysis, and build the capacity for evaluation at the local level. As this is the first time many local authorities have undertaken an exercise of this kind, there are naturally limitations to the results reported. However, the findings reported provide valuable indicative evidence of the fiscal benefits expected in these seven local authorities.

Table 2: Unit costs recorded in the Cost Savings Calculator

Indicator	Outcome Area
No. of adults in prison	Crime
No. of anti-social behaviour incidents where further action is necessary	Crime
No. of anti-social behaviour incidents where no action is taken	Crime
No. of arrests where individual is detained	Crime
No. of arrests where no further action is taken	Crime
No. of deliberate fire incidents	Crime
No. of domestic violence incidents	Crime
No. of first time entrants to the criminal justice system aged under 18	Crime
No. of incidents of common assault	Crime
No. of incidents of criminal damage	Crime
No. of incidents of shoplifting	Crime
No. of months served by under 18s in prison	Crime
No. of children missing at least five weeks of school (per year)	Education
No. of children permanently excluded from school	Education
No. of 18-24 year old not in education, employment or training (per year)	Employment
No. of adults claiming Employment and Support Allowance	Employment
No. of adults claiming Job Seeker's Allowance	Employment
No. of adults claiming Lone Parent Income Support	Employment
No. of Accident & Emergency attendances resulting in investigation and subsequent treatment	Health
No. of Accident &Emergency attendances resulting in no investigation and no significant treatment	Health
No. of adults suffering from depression/anxiety disorders (per year)	Health
No. of ambulance call-outs	Health
No. of children suffering from mental health disorders (per year)	Health
No. of general practitioner (GP) visits	Health
No. of hospital in-patient admissions	Health
No. of hospital outpatient admissions	Health
No. of individuals engaging in alcohol misuse (per year)	Health
No. of individuals engaging in drugs misuse (per year)	Health
No. of practice nurse visits	Health
No. of evictions	Housing
No. of homelessness applications	Housing
No. of repossession	Housing
No. of weeks of homelessness	Housing
No. of children in need cases	Social Services
No. of children taken into care	Social Services
No. of Common Assessment Frameworks undertaken	Social Services

No. of social worker visits	Social Services
No. of weeks children were in local authority foster care	Social Services
No. of weeks children were in local authority residential care home	Social Services