

# Making the case for public engagement

How to demonstrate the value of consumer input

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# 1. Foreword from Consumer Focus

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*“The most valuable things in life are not measured in monetary terms. The really important things are not houses and lands, stocks and bonds, automobiles and real estate, but friendships, trust, confidence, empathy, mercy, love and faith.”* Bertrand Russell

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*“When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meagre and unsatisfactory kind.”* Lord Kelvin

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Consumer engagement is, in principle, widely accepted as an effective tool for building public trust, generating efficiency savings and accelerating public service reform. The public has more opportunity to have a say in councils, hospitals, police forces, and other public bodies across the UK than ever before, and for good reason. Benefits for consumers include services that respond to and therefore better meet their needs, are delivered in ways that suit them and not the provider, and improved outcomes.

Effective engagement benefits decision-makers and providers too, as consumers become better informed and more motivated to get involved and support ideas if they have some influence over the agenda. Better informed consumers are also likely to lead a drive for better quality engagement which will in turn support efforts to improve engagement. This ‘virtuous circle’ will be valuable in defending engagement programmes from sceptics and others who undervalue such activities, particularly during a period of increasing pressure on budgets.

It has never been more important to be able to make the business case for engagement. The UK has recently experienced the most severe recession since the 1930s and public spending is being cut heavily in the years to come. The scale of the cuts in public funding – with department budgets being cut by over 25% in some cases – mean that public authorities will need to make difficult decisions about spending priorities.

Consumer Focus and our predecessors, the National Consumer Council in particular, argue that it’s much better to get people involved in difficult decisions, including the impact of cuts and changes to services that they use, and that focusing on service users ensures greater public value in a time of constrained resources. We believe that the value of engagement - as long as it is conducted



## **Box 1: Saving through partnership in Thurrock**

Coordinated partnership working can be crucial to saving resources as the possibility of duplication is reduced. Thurrock Borough Council and NHS South West Essex are including in their forthcoming community engagement strategy a proposal to join up the two organisations’ citizen panels.

One officer told us why they wanted to do this: *“firstly, because it would deliver joined up working and secondly because of the potential savings that would be delivered as a result”*

The average management cost of a citizen panel is estimated by the MPA at around £12,000 a year.

effectively - is greater than the upfront costs. At the same time, unless it is possible to clearly explain the business case for engagement, these programmes will be at risk.

There is a substantial amount of anecdotal evidence in support of public engagement and some case study evidence showing that engagement often results in better outcomes and efficiencies. But there is little hard data to effectively express the benefits of engagement in cash terms.

Even though value for money is important in the public sector the emphasis has been on measuring and accounting for 'hard' inputs and outputs, not impacts and outcomes. Interest in finding methods for working out the costs and benefits of engagement is growing across central and local government<sup>1</sup>, partly in response to the current financial crisis and schemes such as the Total Place initiative<sup>2</sup>, which emphasises the importance of listening to what people value in public services.

*"One of the findings of the [Total Place] pilots is the dearth of readily available information on the costs of key societal issues and on the costs and benefits of specific interventions."*<sup>3</sup>

Over recent years engagement has become well established in public policy. Politicians from all parties are united in calling for more power to ordinary service users in their interactions with public services. Legal requirements<sup>4</sup> have further consolidated its importance. And initiatives such as Neighbourhood Charters, Councillor Calls for Action and local petitions are designed to encourage people to be more involved.

There is growing evidence, for example from the NHS<sup>5</sup> that engagement helps to save hundreds of thousands of pounds per year. Positive impacts have also been seen in local councils<sup>6</sup> and the police service<sup>7</sup>. However, scepticism remains and the argument for engagement still needs to be made, particularly when budgets are under pressure.

This is why Consumer Focus asked Involve to develop a toolkit to help practitioners present the case for engagement, using an equation that balances the sum of 'hard' cash benefits plus softer, intangible benefits against the sum of upfront expenditure plus intangible costs.

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1 IDeA (2010) Mainstreaming empowerment and developing a business case.

<http://www.idea.gov.uk/idk/core/page.do?pagelD=17419791>

1 Goodspeed et al (2009). A guide to Social Return on Investment Investment. Office of the Third Sector.

[http://www.sroi-uk.org/component/option,com\\_docman/task,cat\\_view/gid,29/Itemid,38/](http://www.sroi-uk.org/component/option,com_docman/task,cat_view/gid,29/Itemid,38/)

2 HM Treasury and Communities and Local Government (2010). Total Place: a whole area approach to public services.

[http://www.hm-treasury.gov.uk/d/total\\_place\\_report.pdf](http://www.hm-treasury.gov.uk/d/total_place_report.pdf)

3 Total Place: a whole area approach to public services (2010)

4 For example the NHS Duty to Involve which was introduced section 242 of the consolidated NHS Act 2006.

5 Picker Institute Europe (2010). Invest in Engagement. Online tool - <http://www.investinengagement.info/>

6 Robinson and Rogers (2004). The Benefits of Community Engagement: A review of the Evidence. (IPPR and the Home Office). <http://www.communities.gov.uk/publications/communities/benefits>

7 Myhill (2006) Community Engagement in Policing: Lessons from the literature. (Home Office, Police).

<http://www.crimereduction.homeoffice.gov.uk/policing18.htm>

**Please tell Involve what you think**

The toolkit has been developed by Involve. We welcome your views on whether you think it is useful, or if something needs to be changed, or if you know of any alternative approaches that worked well.

To feedback your comments, results and experiences, or for more information, contact [Edward@involve.org.uk](mailto:Edward@involve.org.uk)

## 2. Introducing the toolkit

This toolkit will help you to understand and make the business case for engagement and present it to internal and external audiences. It is designed to help you explore, identify and articulate the costs and benefits of engagement, making some conclusions about its overall value. It can be used for all kinds of engagement from small scale 'one off' projects to major exercises across an entire town or wider local authority area.

It is aimed at those who manage, design, deliver, plan or commission public engagement projects. It does not require the reader to have detailed knowledge of economics. The results will not be as comprehensive or in-depth as a professional or academic study but will provide sufficient reliable evidence to build a well-argued case that stands up to challenge and scrutiny. The toolkit also features a pair of spreadsheets with equations that can be used to capture financial data on engagement projects. One spreadsheet is for cases where you want to compare the costs and benefits of an engagement project with the costs and benefits of another activity ([Equation form with comparator](#)) and the other is for cases where you just want to measure the costs and benefits of an engagement project on its own ([Equation form without comparator](#)).

There are many tools for measuring costs and benefits, such as cost benefit analysis, cost-effectiveness analysis and social return on investment. (See **Appendix 1**) However, these tools are often inadequate for assessing engagement. To date there have been only limited economic assessments of public engagement. The reasons for this vary but some of the most common are: the complexity of engagement processes, resistance to the use of economic methods by practitioners or decision-makers, lack of appropriate data, and the cost of proper economic valuation.<sup>8</sup>

However, monetary values are often preferred as they provide a common measurement unit that can be easily compared. A key challenge for engagement practitioners is that many of the benefits of engagement are intangible or long-term and hard to monetise.

It would be easy to look at these challenges and to assume that measuring the costs and benefits of engagement is too difficult. However, it is possible to assign value to an engagement process, as the example below shows, and this toolkit explains in more detail.

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<sup>8</sup> Involve (2005). *The True Costs of Public Participation*. (Involve) p.33.  
[http://involve.org.uk/the true costs of public participation/](http://involve.org.uk/the_true_costs_of_public_participation/)

### Box 2: English Nature – Humber Estuary Designation Project<sup>1</sup>

English Nature undertook a public engagement exercise in order to inform their plans to review the legal protection for wildlife in the Humber Estuary. The process was in part developed due to previous designation plans being received with hostility from industry and other key players which led to the plans being withdrawn. As a result, this project was about getting stakeholders engaged from the earliest stages in order to avoid damaging conflict.

Previously limited engagement with the public had led to conflict that incurred legal fees. English Nature used this comparator to estimate the possible cost savings at £75,000 (previous legal costs).

Costs of engagement	Benefits of engagement
Staff cost: £50,000	Legal Costs saved: £75,000
Displays and PR: £8,000	
Admin: £5,000	
Postage: £2,000	
Travel: £1,170	
Press briefings: £1,000	
<b>Total: £67,170</b>	<b>Total: £75,000</b>

#### Value of engagement: £7,830

In this engagement project there was a direct comparator. Spending money upfront on engagement rather than later on legal costs was not only successful as it saved money (£7,830), but people were also able to focus their energy on positive change.

**Added non-monetary benefits** included improved relationships with citizens and stakeholders and enhanced environmental protection in the area and increased buy-in of stakeholders.

## How to use this toolkit

This report enables you to do a number of things:

- Build a business case for an individual engagement project;
- Build a business case for engagement across an entire organisation or a geographical area;
- Compare the costs and benefits of different engagement approaches (or non-engagement).

You can skip to the following sections if you know what you need:

- [To understand more about the tool](#)
- [For instructions on use](#)
- [Ideas on how to take your business case forward –](#)
  - [Assessing costs and benefits](#)
  - [Problem solving](#)
- [How to Feedback](#)



## Appendices

- Approaches to economic evaluation
- The checklist
- The calculation tool
- The calculation tool scrutiny checklist
- Proxies
- List of resources
- Case study and methodology
- Worked example of making the business case (theoretical case study)

## Beyond this guide

There is a great deal of interest across the public sector in how to develop methods to quantify the value and benefits of engagement. This guide focuses on individual projects and case studies but other studies take different approaches, which also include a range of useful suggestions. For example:

The IDeA recently produced guidance<sup>9</sup> on making the case for empowerment work across authorities at the strategic level, but the stages to developing a business case that they develop are relevant whatever the scale of the project. The Community Development Foundation have launched a report looking at the value that Community Development adds to society, citizens and the public sector.<sup>10</sup> A recent literature review of the evidence base found that investments in local democracy can yield four types of benefits: direct cost savings through better engagement planning and coordination, better targeted cuts and spending through better information on public preferences, improved understanding of trade offs and the rationale for decisions amongst citizens themselves, and finally wider economic benefits arising from great 'civic productivity' in areas with more participative democratic structures.<sup>11</sup>

The Cabinet Office is running a long term project on developing practical tools around the Social Return on Investment framework which is designed to capture social benefits, which are relevant to many engagement projects.<sup>12</sup>

In addition a number of non-monetary datasets and indicators can be used as measures. See **Stage 4 Complete the checklist and chart**, for more information.

Government is required to carry out assessments of the likely costs, benefits and impacts of any legislation it implements that affects businesses, public sector front-line staff or those working for charities or voluntary organisations. This is carried out using Impact Assessments (IAs). A useful

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9 IDeA (2010) Mainstreaming empowerment and developing a business case.

<http://www.idea.gov.uk/idk/core/page.do?pageId=17419791>

10 Chanan, Gabriel (2010) Valuing Community Empowerment: Making the business case Community Development Foundation <http://www.cdf.org.uk/web/guest/publication?id=69013>

11 Zacharzewski, Anthony (2010) Democracy pays: How Democratic Engagement can cut the cost of government the Democratic Society <http://www.demsoc.org/static/Financial-Case-white-paper.pdf>

12 Goodspeed et al (2009). A guide to Social Return on Investment. Office of the Third Sector. [http://www.sroi-uk.org/component/option,com\\_docman/task,cat\\_view/gid,29/Itemid,38/](http://www.sroi-uk.org/component/option,com_docman/task,cat_view/gid,29/Itemid,38/)

way of contextualising your business case may be to review the IA of the associated legislation – for example if it was relevant, looking at the *Communities in Control White Paper: Impact Assessment of Community builders Investment Programme*. The IA is a process aimed at understanding the consequences of possible and actual government interventions in the public sector and a *tool* to enable the government to weigh and present the relevant evidence on the positive and negative effects of such interventions. See Appendix 6 for signposting to relevant websites. This may be a useful mechanism through which you can frame your business case and support your assessment within wider government aims and objectives.<sup>13</sup>

## Definitions

### *What is public engagement?*

Public engagement is the active participation of members of the public, service users or customers in service planning, delivery and evaluation. Effective public engagement leads to decisions, delivery and evaluation of services that have been shaped by the relevant people and communities.

Public engagement supports service providers to deliver more for less; it helps achieve the targets of the Total Place, Safer Stronger Communities and World Class Commissioning programmes.

### *What is a business case?*

A business case includes a description of what is being proposed and why it is important, including the aims and objectives, an assessment of what it will cost and the impacts and benefits that will result. Business cases are used to show that something is worth doing.

The business case for engagement presents the benefits and efficiency savings which organisations such as local authorities and their partners may be able to make, either by reducing the costs of their current activities, preventing costs from accruing or achieving positive impacts and outcomes such as health improvements or building social capital.

A business case is linked to but is not the same as a ‘cost-benefit analysis’. It does not have to limit itself to measuring what can be expressed in pounds and pence but can consider a wide range of benefits and outcomes. The methods used are similar to, but distinct from, evaluation.

In the field of public engagement many important impacts on service improvement and outcomes in areas such as education, employment and social cohesion are not routinely measured - possibly because: they are not directly quantifiable, effective ways to measure them have not yet been developed, or because measurement has not been required for reporting purposes. This toolkit includes guidance on how to work out values and include them in the case.

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<sup>13</sup> Department for Business, Enterprise and Regulatory Reform – Better Regulation Executive website: <http://www.ialibrary.berr.gov.uk/>

### 3. The toolkit

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*“In our time, the curse is monetary illiteracy, just as inability to read plain print was the curse of earlier centuries.” Ezra Pound*

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We have developed a simple toolkit for you to use to capture costs and benefits to make a strong business case for engagement. There are more sources of support and information in **Appendix 6**.

The toolkit includes:

- Costs that can be given a monetary value
- Benefits that can be given a monetary value
- Costs that cannot be expressed in monetary terms
- Benefits that cannot be expressed in monetary terms

The reason we have included the latter two is that intangible factors are especially important for engagement projects and so need to be built in from the start. This makes sure they do not get overlooked or underestimated.

In many cases reducing engagement to what can be valued monetarily misrepresents and underestimates the inputs and outputs, so gives an inaccurate picture. In addition, reducing engagement to the cost per participant is too simplistic. There are also legal obligations which might mean engagement is required and the question is not whether or not engagement should be done but what type is most effective.



#### Box 3: Calculating costs in Birmingham

Calculating the costs saved through social initiatives is an important way to build a business case for public engagement.

The Total Place initiatives provide some example of where it is possible to calculate these costs and savings. In Birmingham, for example, it is estimated that the full social costs to the city of drugs misuse could be in excess of £500 million per annum.

They found that £1 spent on drug treatment programmes saves £2.50.

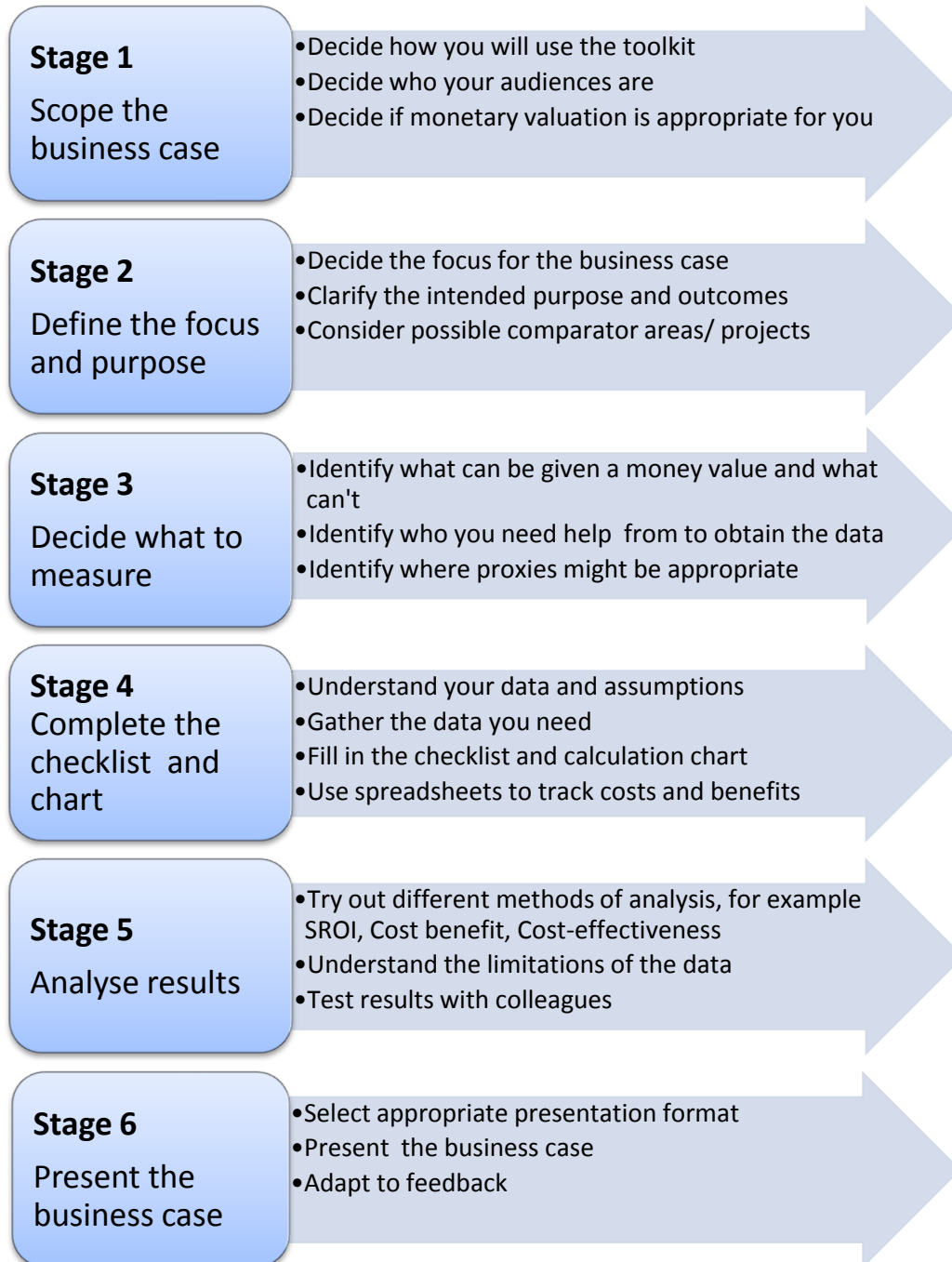
This means that for each drug user, each year off drugs will save an estimated £50,000 in social costs.

HM Treasury and CLG (2010) Total Place: a whole area approach to public services. Available at: [http://www.hm-treasury.gov.uk/d/total\\_place\\_report.pdf](http://www.hm-treasury.gov.uk/d/total_place_report.pdf)

## Using the tool

Work your way through the following stages using the notes and checklists. Most are very easy to do and you probably already have easy access to some or much of the data that you need.

Figure 1 Stages of using the tool



## Stage 1 Scope the business case

Start by deciding what you want to achieve by your business case. The purpose is to get key players and decision-makers to invest time, resources and commitment in an activity. The first question you need to ask yourself is who needs to be convinced of what, for the business case to be successful? How much resource do you have available to support the development of a business case?

You can use this toolkit to develop a business case for a number of situations:

<b>An individual engagement project</b>	This is often easier than other options as the numbers involved are often smaller and easier to manage.
<b>Engagement - across an organisation or geographic area.</b>	Assessing multiple engagement processes in one go requires more data and is more complex than looking at each engagement exercise individually. The benefits include getting a fuller picture and being able to concentrate on the really significant costs and benefits. If there have been previous evaluations you can use the resulting values as proxies.
<b>Comparing the costs and benefits of different engagement approaches or of non-engagement</b>	If you are in the process of identifying efficiencies, as part of Total Place or otherwise, it may be worth filling in the calculation for numerous projects at once. This will show you which methods are delivering the most return, and in which circumstances, as well as identifying areas of duplication.

It is important to understand what other engagement activities are being delivered in your organisation. This is predominantly to reduce the risk of duplicating ongoing processes but, it will also give you the opportunity to speak to other delivery teams to share learning, enable partnership working, more efficient public engagement and pooling resources and skills.

## Stage 2 Define the focus and purpose

The next step is to determine your focus. You need clarity on what you want to cover and who you need to influence. This will help to determine exactly what you need to consider. This may seem obvious, but often it is only when you sit down and consider your project in detail that you discover exactly what factors you need to include, and the arguments you need to make in the business case. This first stage of planning is often overlooked.

The key questions to ask include:

1. What are the parameters of this business case in terms of time and responsibility? Are there other projects that overlap with your project that you may need to factor in?
2. What difference do you want to make through your engagement? How will you measure success? Is it increased trust, efficiency or improved service outcomes? Make sure you express this in as direct and clear language as you can. Also make sure that the measurement you use captures what you actually want to achieve.

3. Do you need to cover the whole project? In some cases it is more realistic and useful to work out the costs and benefits of particular aspects of your project, for example a single event or a work strand which focuses on a particular group.
4. How will you know if your benefits are linked to engagement and wouldn't have happened anyway? Are there comparators that you can use? For example are there any similar areas where engagement hasn't happened and can you compare the benefits there with your situation? See **Stage 6 Present the business case** for more information on comparators.

It is important to consider the target audience of your business case. Is it your Chief Executive, other senior decision makers, people outside your organisation or someone else? Think about what they will be looking for and what might persuade them.

When building the business case decisions need to be made about what to include and what to exclude. You may not be able to build a perfect model because some data elements may not be available. However, you can still create a convincing and well-evidenced case to demonstrate the value of engagement. A key decision is what perspective to take. Is the case for a particular service, the public sector as a whole, the local community or the UK as a whole?

### Stage 3 Decide what to measure

Once you have decided the focus of the business case you need to identify what to measure and how you are going to do this. People often find this stage most difficult. While they are convinced of the benefits of engagement and have anecdotal evidence they find it difficult to quantify the benefits in financial terms. Often the solution is finding a proxy, a measure which can approximate the benefits in monetary terms. A proxy may not be a perfect measure but is acceptable as long as the assumptions underlying it are valid and fully explained.

Involve has developed a useful mechanism to work out what measures to use, based on their evaluation guidance<sup>14</sup>, and is specifically aimed at finding monetary measures.

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<sup>14</sup> Involve (2007) Making a difference: A guide to evaluating public participation in central government. <http://www.involve.org.uk/evaluation-guide/Making%20a%20Difference%20-%20A%20guide%20to%20evaluating%20public%20participation%20in%20centralgovernment.pdf>

Table 1 Assessing the benefits and impacts of engagement - finding monetary values

1.Goals/purpose	2. Possible indicators	3. Monetary measures	4. How to get data	5. Important assumptions
<b>What are you trying to do?</b>	How will you know if you are successful?	Can you estimate a money value on any of the indicators?	How can you gather this information?	What are the assumptions in choosing this measure of success?
<p>Example A:</p> <p><b>We want to increase the responsiveness of services to users following public consultation events.</b></p>	If we are successful we should see a change in the number or type of complaints about the service.	<p>The time-spend of complaints staff has a monetary value and can be quantified.</p> <p>The saved costs of getting things right in the first place can also be calculated.</p>	We can record the number of complaints per month around this service and assess the average length of a complaint.	We are assuming that time sheets are accurately filled in. This may need to be checked.
<p>Example B:</p> <p><b>We want to improve public safety in a neighbourhood by listening to members of the public to find out what the problems and solutions are.</b></p>	If we are successful we will see lower levels of reported crime and fear amongst local community members	Different types of crime carry with them costs to society, which can be calculated.	<p>Crime numbers can be gathered via surveys or from the police.</p> <p>Costs of different types of crime have been estimated by the Home Office.</p>	<p>Stated costs will underestimate the true costs of crime, in terms of emotional stress and not all crimes are reported.</p> <p>Engagement may be only one of many factors impacting on crime levels.</p>

## Stage 4 Complete the checklist and chart

Once you have decided what to measure and how to calculate it you need to collect the relevant information and data. There several ways to do this - the choice will depend on your specific situation and the types of costs and benefits you are dealing with.

There are two main options for assessing the monetary value of costs and benefits where there isn't an existing 'cash' value; 'revealed preference' or 'stated preference'. The first means to find an existing market value to act as a proxy. For example the cost of staff time spent on complaints before and after the engagement process can be a proxy measure for the value of reduced dissatisfaction. Stated preference means to ask those who benefit to estimate how much they value that benefit, for example by asking them what they would be willing to pay for it. Generally revealed preferences are seen to be more accurate than stated preferences.

When asking for stated preferences you can either ask people for their 'Willingness to pay' or 'Willingness to accept', that is how much they'd be willing to pay to get the benefit or how much they would pay to avoid a cost. It is good practice to ask a large number of people across different income groups to state their preferences in order to avoid income levels biasing the findings. A common question is 'What is the most you would be prepared to pay every year to receive good x?' You can gather people's preferences through face to face, phone or online surveys and questionnaires.<sup>15</sup>

Revealed preference comes from looking at people's behaviour in a similar or related market to get cost values. For example you could use house prices as a proxy for regeneration success; the overall desirability of an area is likely to be linked to improvements. You can also look at what it would cost to replace or compensate for the loss of a non-market good. Getting people to fill in diaries is an effective way of mapping how much time they spend on particular activities rather than asking them to estimate how much time they have spent some time afterwards.



### Box 4: Using data for benefits transfer

Total Place data is a good resource to use to find benefits transfer information. A third sector organisation in Doncaster worked with the Council to collect bulky household waste furniture, and distributed it to low income families for re-use. Between 2008 and 2009 488 tonnes of waste was diverted from landfill, saving the local authority approximately £20,000 in landfill tax payments.

Over 4000 low-income households received goods through this programme and it is estimated that supplying the same families with second-hand goods would have cost £140,000 with existing market prices.

Additional social benefits were the 130 volunteering placements for socially disadvantaged people.

HM Treasury and CLG (2010) Total Place: a whole area approach to public services. Available at: [http://www.hm-treasury.gov.uk/d/total\\_place\\_report.pdf](http://www.hm-treasury.gov.uk/d/total_place_report.pdf)

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<sup>15</sup> You can find more information in the HM Treasury Green Book. [http://www.hm-treasury.gov.uk/data\\_greenbook\\_index.htm](http://www.hm-treasury.gov.uk/data_greenbook_index.htm)



Another technique to gain a better understanding of the benefits of engagement is to use ‘Benefits transfer’ –‘borrowing’ data from other studies. If someone has conducted a detailed study into the monetary value of a particular benefit and it is relevant to your case you can use these estimates. You might for example make use of Home Office estimates of the costs of crime, or data from the place survey and neighbourhood statistics. **Appendix 5** contains links to useful sources and some examples of benefits transfer.

Table 2 Key concepts for measuring data

Key concept	Definition
<b>Revealed preference</b>	To find a proxy market value, e.g. measuring the value of reduced dissatisfaction by measuring the cost of staff time spent on complaints before and after the engagement process.
<b>Stated preference</b>	To ask those who benefit to estimate how much they value the benefit, e.g. by asking people for their <i>willingness to pay</i> or <i>willingness to accept</i> (see below for definitions)
<b>Willingness to pay</b>	How much an individual would be willing to pay to get the benefit of a stated preference.
<b>Willingness to accept</b>	How much an individual would be willing to pay to avoid a cost of a stated preference.
<b>Benefits transfer</b>	The ‘borrowing’ of data from other studies. If someone has spent time carrying out a detailed study into the monetary value of a particular benefit and it is relevant, make use of those estimates.

## Stage 5 Analyse results

Many business cases suffer from optimism bias; a tendency to exaggerate project benefits. Give your business case a ‘reality check’ by looking at the costs and benefits of one or more comparators; ‘stress test’ the tool by developing scenarios where things go differently from what you anticipate; and ask colleagues to challenge the assumptions in the analysis. Share the results with trusted colleagues who can take a critical view of the data to ensure your results stand up to scrutiny and be objective so that your commitment doesn't cloud your judgement.

Distributional impacts are also important. The benefits may outweigh the costs overall but the business case needs to take into account any adverse impacts on particular groups.



### Box 5: Measuring complex variables in Croydon

It is important to highlight any key variables that may impact on the benefits you want to include in the business case. For example, if you were focusing your engagement strategy on families with complex needs you would need to factor additional costs into your analysis and explain how they impact on your business case.

According to the Total Place report 200 to 300 families described as 'chaotic' each cost public services in the Croydon around £250,000 each year. The description 'chaotic' represents the extreme severity of these families' problems which include: drug and alcohol addictions, mental disorders ranging from depression to schizophrenia and learning difficulties.

HM Treasury and CLG (2010) Total Place: a whole area approach to public services. Available at: [http://www.hm-treasury.gov.uk/d/total\\_place\\_report.pdf](http://www.hm-treasury.gov.uk/d/total_place_report.pdf)

## Stage 6 Present the business case

Once you have gathered the evidence, you need to consider how the data will influence key decision makers. Are you making the case to the Local Strategic Partnership, senior officers, colleagues, Councillors, local communities, or the media? This will influence whether you need to go into detail about the financial values, stress intangible democratic or social benefits or use quotes and illustrations. It is also worth thinking about how the evidence fits into a broader story or narrative.

### *Comparators*

When making the business case for engagement it is useful to know what the costs and benefits of alternative activities would be. This enables you to work out the 'opportunity costs' that is what the alternative uses of those resources could have been. This could be doing nothing at all or using other methods. In some cases, due to legal duties or other requirements, doing nothing is not an option, so you need to identify a *comparator*, such as using a different method of engagement, and cost it out using a separate calculation form to work out comparators.

Looking at a comparator area provides a useful way of highlighting success. For example, a regeneration engagement project might be seen as a failure if it fails to increase employment in real terms. However if employment fell in other areas but remained stable in the area with engagement the business case would indicate that the engagement was a success.

### *Comparator options:*

**Do nothing** This incurs no direct monetary costs, but there may be negative impacts in the form of increased costs or decreased income as a result of inaction. In many cases this can only be measured by looking at cases from elsewhere or by making rough estimates.

**Status quo** Your engagement project may be replacing or running alongside an existing activity which you can gather costs and benefits data about.

**Alternative engagement methods** You may want to assess or measure the costs and benefits of using a different engagement approach. For example, if you are moving from collecting survey data to holding community planning meetings to make decisions about the provision of outdoor recreation space in a neighbourhood you could collect data for the survey method and directly evaluate it against the projected costs for making decisions through face to face meetings.

**Alternative means of achieving the benefits** It may be useful to cost an alternative means of achieving the desired outcome. For example if the benefit is around increased awareness what would be the cost of achieving this with conventional marketing?



#### **Box 6: Comparing costs in Luton**

##### **Alternative means of achieving benefits: Luton**

It is possible to develop the brand or slogan for an engagement strategy through public engagement and directly compare the cost of that engagement activity with a cost quotation from a commercial organisation to deliver the same output. Luton's Neighbourhood Governance programme established branding through consultation – 'Your Say, Your Way'. This saved the cost of a Public Relations firm developing the brand and also created more local ownership over the programme.

**Case study and methodology** for the detailed case study

## **4. Instructions for completing the toolkit**

Developing the calculations for the business case is best done in collaboration with colleagues. Involving more people will make your analysis more convincing, and you may need colleagues to help find data.

When you first try to fill in the checklist and calculation tool a lot of data may be missing, so build in enough time.

Gathering data on every single type of cost and benefit can be time consuming and is usually not necessary. Where you find that a few costs and benefits dwarf all others you can focus on these big items and leave the rest.

- **Appendix 2** is a checklist of the information you need to collect
- **Appendix 3** includes the calculation form
- **Appendix 4** is a scrutiny checklist to help you cross check the data for errors and ambiguous information that may affect your business case.

You can also use the process of gathering the data to raise awareness of the business case and to gain buy in from key decision makers. By involving them in the process they are more likely to be interested in the conclusions.

## 5. How to fill in the calculation form

### Assessing costs and benefits

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*“The only man who behaves sensibly is my tailor; he takes my measurements anew every time he sees me, while all the rest go on with their old measurements and expect me to fit them.”* George Bernard Shaw

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This section gives you an in depth guide and examples on how to fill in each section of the tool.

You do not need to measure every cost and benefit in monetary terms. In some cases measuring benefit or costs in non-money terms is more effective.

You will need to decide which measures are relevant to your context, making any assumptions clear and do not overstate your case.

### Costs

Costs should be measured in monetary terms where possible. It is always worth starting with the elements that cost most. Once the high-cost items are identified you may be able to omit less significant costs, especially if they are difficult to measure.

Costs can either be inputs (Staff time and resources that make the process happen) or outputs/outcomes (negative results of the engagement).

#### *Staff time (internal & external)*

Staff time usually makes up the largest cost for engagement projects, although it is rarely fully quantified. It is not just the staff directly involved in delivering the project that need to be accounted for it also includes those who play a supporting role, including administrative and communications staff. It is usually easier to capture the full costs of contract workers and consultants as these will be invoiced for so have an audit trail.

Staff diaries are a useful way to capture the proportion of people’s time spent on engagement activities. A rough percentage of staff time spent can be enough.

#### *Event costs (for example venue, refreshments, PA)*

Most engagement uses events of some kind, either online or in person. After staff costs, this is often the most significant cost item. Whether this is one event or 200 you need a good understanding of the costs real/actual. Internal venues have hidden costs but you can use the external rental cost as a proxy value. If the venue is a website where the engagement takes place using an online platform the costs could include domain name registration, hosting fees, and building the site. Moderation costs should be listed under staff costs.

### *Communications costs (Postage, outreach, website, PR etc.)*

Communicating the engagement opportunity and feeding back to participants are vital to successful engagement. In some engagement processes, for example surveys, communications and staff might be the only costs.

Communications costs include the publicity for the engagement process, whether this is provided by an external Public Relations company or internal resources. The internal costs to your organisation include mailing out invitations, adverts for workshops, designing and printing posters, or setting up a website.

### *Participant costs (travel and incentives)*

The costs to the participants can be less straightforward to measure. This is partly because it is unclear if the time people spend as active citizens should be considered a cost or a benefit to society. How you approach the measurement of participant costs depends on the business case perspective. If it looks at the costs and benefits for society as a whole there is a strong case for including participants' costs. If the focus is on the costs and benefits to your organisation or the public sector generally you may not need to cost participant time.

Disentangle which of the costs to participants are specific to engagement and which they would have incurred anyway. Avoid double counting; if you have already included cash incentives paid to participants then don't cost their time as this would double count their time.

As a rule, don't put an hourly value on participant time unless you are accounting for citizens' time savings for as one of your engagement benefits.



#### **Box 7: The costs of conflict: English Nature**

The costs of not doing engagement should be taken into account.

When English Nature wanted to review and possibly extend the Sites of Special Scientific Interest for wildlife in the Humber Estuary in 2005 they knew the risks of not engaging meaningfully. An earlier exercise cost them £75,000 in legal costs and the plans had to be withdrawn.

As a result they launched a public engagement programme which went beyond the legal requirements, providing a range of opportunities for more information and informed discussion. This proved successful as the public agreed the expansion of the sites under protection. English Nature estimated that the costs of the legal fees from the first process alone outweighed the total costs of engagement in the second process demonstrating the large hidden cost of not engaging well.

Involve (2005) The True Cost of Public Participation. At: [www.involve.org.uk/the\\_true\\_costs\\_of\\_public\\_participation](http://www.involve.org.uk/the_true_costs_of_public_participation)



### **Box 8: Putting engagement into perspective in Greenwich**

Greenwich Council demonstrated the quantifiable benefits of developing a service which better meets the needs of customers.

In 2005 Greenwich Council established the Modernisation Programme which included an integrated front office approach to service delivery supported by a major investment in the Council's ICT infrastructure.

Engagement costs formed only a small part of the programme budget. Since implementing the Front Office approach the council has reported annual financial benefits of £1,212,000 per annum.

Significant savings were made on transactional costs as the council made more efficient use of services in the front office. Other benefits include significant improvements in customer services (measured through mystery shopper exercises) and increased satisfaction. When the annual benefits are this large it clearly puts the cost of engagement into perspective.

Local Government Delivery Council (2009) 'FOSS Greenwich customer centric and integrated approach case study'. (Improvement and Development Agency).

### ***Travel costs***

You will also want to look at travel costs for staff and participants. These costs vary depending on the type and location of engagement.

### ***Other cost issues***

You could encounter what economists call 'Leakage'; when benefits seep out beyond the intended target area or group, especially if you are targeting a particular vulnerable group and many of the benefits accrue to other groups.

Engagement has an opportunity cost, an alternative use that the money used for engagement could have been put to. This needs to be balanced elsewhere.

## Benefits

This section shows how to give a money value to different benefits. Think through your aims so that you can decide which benefits to measure. You are unlikely to need to measure all the potential benefits listed here so choose the relevant ones. For example, if a health engagement project impacts on crime you probably won't need to measure both sets of benefits.

The Department for Communities and Local Government has identified five reasons for empowerment work.<sup>16</sup> The table below lists them, alongside examples of how to give the benefits monetary and a non-monetary value.

**Table 3 Reasons for undertaking empowerment work**

Benefit	Monetary values	Measured by	Non-monetary values
<b>Increase trust in public institutions</b>	Reduced spend on complaints	Staff work diaries/time sheets, complaints listings	Reported trust levels, NI4 scores, about people feeling able to influence decisions
<b>Improve quality of services</b>	Better service outcomes (health, crime etc), less time spent on administration and duplicated work , less complaints	Staff work diaries/time sheets, neighbourhood level service statistics, health and crime statistics	Service user satisfaction
<b>Take and justify difficult decisions</b>	Reduced conflict and reduced spend on legal challenges	Legal costs, staff work diaries/time sheets, complaints listings	Number of negative articles in press, survey results
<b>Promote good community relations</b>	Reduced vandalism and crime in local area	Crime statistics	Survey results
<b>Build resilient community networks</b>	Access to new funding and volunteering time	Database of funding accessed before and after engagement. Time sheets for volunteers	Survey results

<sup>16</sup> Durose et al. (2009). *'Empowering Communities to influence local decision making. Evidence-based lessons for policy makers and practitioners'* (The Department for Communities and Local Government).

<http://www.communities.gov.uk/publications/localgovernment/localdecisionlessons>

## *New resources*

Engagement can unlock resources that you would not have had access to otherwise, such as volunteer time, access to new funding or resources. Volunteer time can be costed by the hour using a suitable rate, for example the Department for Transport's current rate for assessing the value of time, the minimum wage or the salary for an equivalent professional. See **Appendix 5** for detail.



### **Box 9: New resources in Hastings**

Community provision involves the community in improving services and creating new resources. Community-based organisations are contracted or delegated responsibility from mainstream providers for service design, delivery and review.

A resident service organisation (RSO) in Hastings was brought in to deliver a range of services for a housing association, including; painting and decorating, environmental services, hard and soft landscaping, and playground inspection and repair. The benefits of community involvement included local labour opportunities, good or improved quality of service delivery and environmental improvements.

The Housing Association estimated that the Tenant Decorations service saved £37,000 when decorating 59 flats compared with the cost of using the main repairs contractor (a saving of more than 50%). In addition the Environmental Improvements Team provided benefits through job opportunities for local and disadvantaged people. The annual cost of the programme was £54 per annum per household. This might seem like a lot but compares favourably to other 'extras' like CCTV or handyperson provision.

Office of the Deputy Prime Minister (2005) Research Report 16. Improving delivery of mainstream services in deprived areas – the role of community involvement. (A report for the Office of the Deputy Prime Minister in collaboration with the Home Office and the Cabinet Office).



Table 4 New resources can be allocated an approximate value using replacement costs:

New resource	Replacement cost
<b>Increased volunteer time</b>	The cost of providing the service or activity using paid staff
<b>New intelligence and information</b>	The cost of gathering the same information using a market research company
<b>New and improved relationships</b>	The cost of building the same links through a PR and communications exercise
<b>Increased public awareness of policies and services</b>	The cost of achieving a similar level of awareness through campaigns or PR
<b>Citizen/consumer led campaign or marketing</b>	The cost of developing a similar campaign through a professional campaign company

### *Improvements to uptake or use of services*

Engagement can also lead to an increase in positive service outcomes, for example positive health impacts, reduced crime levels and improvements in other service areas. These can be difficult to calculate accurately but it is often possible to find indicative figures for the business case.

### *Health*

In health a common measure of success is the 'Quality Adjusted Life Year' which not only measures reduced mortality but also health related quality of life over time. These measures can be complex so it is advisable to make use of benefits calculations from previous studies in order to value health benefits. **References are in the appendices.** Another option is to ask people's willingness to pay<sup>17</sup> for a specific health improvement or risk reduction.

It can often be difficult to translate the outcomes of engagement into direct health benefits as a multitude of factors impact on an individual's health and so it can be hard to show that any improvements are due to the engagement and not other factors.

The National Institute for Health and Clinical Excellence research about engagement in the health sector found that the easiest cases are where engagement is for projects around immediate or short-term harm reduction. Suitable comparators are vital for health projects. Long time frames can complicate valuation, for example in the case of smoking cessation you'd need to show that engagement leads to people stopping smoking in the long term as well as the short term to provide strong evidence of added value.

In cases where health improvement is measured in natural units that can be counted easily, such as the number of health visits or hours of hospital waiting time, it may be possible to do a cost effectiveness analysis of different options without having to monetise the benefits. So if you were running an engagement project around smoking cessation you could measure the benefit to society

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<sup>17</sup> see page 16-17

by the number of people who stopped smoking when using engagement and when not. In this case you do not need to measure the benefits in pounds and pence as you have a natural measurement unit.



#### **Box 10: Service improvements in Portsmouth**

The Heartland Community Voice Partnership in Portsmouth demonstrates how public engagement can result in crime reductions and associated cost savings. The partnership worked closely with local communities from 2006 and is able to demonstrate crime reductions compared to surrounding areas:

In Buckland, in 2008 reported crimes fell from 145 in 2006 to 77 in 2008.

In Landport, from 176 in 2006 to 167.

Bin fires in the partnership area fell from 154 in 2006 to 135 in 2008.

Home Office estimates that each case of criminal damage costs £856 and that 4.29 crimes remain unreported for every reported case of criminal damage. This gives a potential saving of £69,772.56 per year from reduced bin fires alone.

The project can also demonstrate non monetary benefits in terms of increased volunteering, levels of satisfaction with policing in the area rising from 48 per cent (2006) to 74 per cent (2008) and the residents' satisfaction with the area increasing from 53 per cent (2006) to 80 per cent (2008).

Information accessible online: [tinyurl.com/ylkyuff](http://tinyurl.com/ylkyuff)

#### ***Environmental improvements***

The Department for Environment, Food and Rural Affairs has developed an Environmental Landscape Features model for valuing agricultural and environmental land uses which can be used for rural engagement.<sup>18</sup> For engagement processes which involve parks and other areas with recreational value you could use Forestry Commission estimates of the value of a person visiting a protected forest.<sup>19</sup>

#### ***Crime reduction***

The recent Department for Communities and Local Government report<sup>20</sup> on the impact of New Deal for Communities on crime levels provides a useful tool for calculating the benefits of engagement in crime and policing.

The report calculated potential savings by using recorded crime data from regional police forces in England and estimates of costs per crime provided by the Home Office. The CLG report estimated the cost of crime per year across NDC areas as £2.4bn, with violent crime making up 86.4% of the costs. If your business case covers similar issues it would be valid to focus on working out only the high cost crimes.

If you include comparator data make sure that you consider the difference in size of the comparator areas and your area. If they are very different you could use per capita crime rates for the comparison.

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18 Warburton, D (2007). Evidence Counts: Understanding the value of public engagement (Sciencewise ERC).

19 Garrod et al. (2000). Non-Market Benefits of Forestry. (Centre for Research in Environmental Appraisal and Management). [http://www.forestry.gov.uk/pdf/fullnmb.pdf/\\$FILE/fullnmb.pdf](http://www.forestry.gov.uk/pdf/fullnmb.pdf/$FILE/fullnmb.pdf)

20 McLennan et al (2010) Crimes occurring and prevented in New Deal for Communities areas: An approach to estimating the economic costs and benefits. (Department for Communities and Local Government)

<http://www.communities.gov.uk/publications/communities/crimesoccurringprevented>

<http://www.communities.gov.uk/documents/communities/pdf/1425014.pdf>

The CLG report showed a significant reduction in burglary and thefts across NDCs; with the value of potentially prevented crime at £124.9m per year and a possible 44,422 crimes prevented over the course of the programme.

To reflect the level of under-reporting, crimes were weighted according to Home office figures<sup>21</sup> For example the weighting for burglary is much higher than for murder as under-reporting is more common for burglary.

**Table 5 Crime figures Home Office**

Types	Average costs	Weighting
<b>Violence</b>		
Homicide	£1,458,975	1
Serious wounding	£21,422	1.79
Other wounding	£8,055	1.79
Common assault	£1,441	7.66
Robbery	£7,282	3.67
<b>Burglary</b>		
Domestic burglary	£3,267	2.19
Commercial burglary	£2,920	2.07

See Appendix for more information.

### *Improvements to quality of services*

Engagement can have an impact on the quality of services themselves, which can be seen in measureable improvements such as lower running costs, less time spent on administration, more efficient targeting of resources and increased consumer satisfaction.

You can use staff or user diaries, or customer journey mapping to assess these efficiencies. Time savings can then be costed at wage levels for staff and at volunteering values for citizens (See **Appendix 5** for guidance on these figures). In these cases measuring the time spent on activities before and after the engagement is important.

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<sup>21</sup> McLennan et al (2010) Crimes occurring and prevented in New Deal for Communities areas: An approach to estimating the economic costs and benefits. (Department for Communities and Local Government) <http://www.communities.gov.uk/publications/communities/crimesoccurringprevented>

To work out the cost of employee time use the gross wage plus non-wage labour costs (which includes National Insurance, pensions etc).



#### **Box 11: Efficiency savings in Kent**

The Kent Gateway programme was a joint initiative between Kent County Council and the district councils within the county.

The Kent Gateway operates on the principle that customer needs determines both the location and mix of services provided in an area. Each Gateway offers customers a mix of services, delivered by a range of partners including county and district councils, the NHS and the voluntary sector.

For each gateway, community engagement has been an integral part of the development process. At the early stages the public were engaged through events, written consultations and outreach. The public continue to be engaged in the trajectory of the Gateways through district council surveys and customer exit surveys.

Financial benefits were realised by office rationalisation. Thanet DC, for example, has forecast a saving of £250 000 by reducing back office space. Increased service capacity has also been reported, with customer service advisors able to deal with a broader range of queries, freeing up the back office staff.

Local Government Delivery Council (2009) 'FOSS Kent Gateway Programme Case Study'. (Improvement and Development Agency).



#### **Box 12: Tell Us Once in Tameside**

A recent pilot programme in Tameside aimed to ensure that public bodies worked together to ensure that members of the public only needed to inform the government once about a death. The process of registering a death and informing all the relevant departments can be a real burden and stress at a time when people are at a vulnerable period of their life. Reduced bureaucracy and the need public contact also saves costs. Initial findings indicate that in Tameside the average number of contacts with the state has reduced from 8 to 1, saving both time and money, and delivering a more efficient and timely service.

Local Government Delivery Council (2009) 'FOSS Tell Us Once case study'. (Improvement and Development Agency). Available at: <http://www.idea.gov.uk/idk/aio/10012779>

To work out non-employee time, use either the Department for Transport figure of around £5.85 per hour (2009 prices) or the minimum wage (See Appendix 5 for further information on determining time costs).

A recent study looked at the value provided by Local Information Systems (LIS)<sup>22</sup> by capturing information about time savings. The project asked people who used LIS to assess how much more time it would take to find the information through other means. The average number of minutes saved was then multiplied by the number of users. A percentage of time was costed at £5.85 (for those users who accessed the service as citizens) and another proportion was costed at £17.50 per hour (for those users who accessed the service in their paid employment, costed at the average wage of a Local Authority Data analyst). The research calculated that a LIS with operating costs of £63,000 per annum has a breakeven point between 442 and 300 repeat users per annum. The number of unique users for the LIS systems in the study ranged from 900 to 4,300 per year. The study concluded that the average LIS yields a net benefit of at least £100,000 per year. Similar calculations can be applied where engagement aims to reduce the time it takes for service users to access services.

Often engagement can improve service design. This is hard to measure in money terms but. You can capture data on a range of factors including:

- Perceived quality of service
- Levels of staff retention and satisfaction
- Lower costs of marketing
- Reduced activities due to participant feedback
- Reduced monitoring costs
- Lower communications costs
- Less time spent on complaints
- Less time spent on FOIs
- Lower cost of stress
- Less spend on legal fees
- Less spent on putting things right

### *Changed attitudes*

Engagement may have a positive impact on user satisfaction levels, lead to improved relationships and reduce dissatisfaction. These benefits can be tracked through satisfaction surveys and the value can be estimated by looking at how much you spend on complaints before and after engagement.

### *Doing less*

Engagement might also be about exploring efficiencies. Working in partnerships often brings efficiencies by reducing duplication, as the Thurrock example shows (page 4). Or engagement may lead to reductions in the use of particular services. This can be measured by establishing a benchmark of existing spending and track changes over time. Where there is a clear case of duplication it might be possible to remove one of the duplicating items and count the entire cost per

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<sup>22</sup> Alfonso et al (2010) 'Understanding the value and benefits of establishing a local information system' (Department for Communities and Local Government). <http://www.communities.gov.uk/publications/communities/establishlocalinfo>

year as a saving. A recent consultation for Leicestershire County Council found that in depth engagement as opposed to traditional paper based surveys led to members of the public gaining a much more nuanced understanding of the trade offs between spending and taxes. Before the exercise citizens were on average willing to cut two items of expenditure. After deliberating on the issue they were willing to face cuts in ten areas on average.<sup>23</sup> Achieving these changed attitudes through traditional marketing would have been very expensive.

## Risk and probability

In some cases engagement can help reduce the risk of policy failure, either because it improves the information you are basing decisions on and helps avoid costly mistakes, or because it increases support and reduces complaints, litigation and judicial review.

In some cases engagement will allow you to make decisions that you could not make otherwise. Since the benefits would not happen without engagement it is tempting to count the full value of the project in your business case. However, the same benefits could arise with a different kind of engagement, or no engagement at all. If you want to measure reduced risk as a benefit you need to have a number of comparators to assess the probability of failure with or without engagement, as shown in the example below.



### Box 13: Measuring Probability in Shaldon

The Environment Agency adopted a 'building trust' approach to working with the community to reduce flood risk in Shaldon. In contrast to Teignmouth, where the public rejected a similar scheme, the flood defence scheme was adopted in Shaldon, in part due to the engagement.

The benefits of the flood mitigation were calculated as £35-40 million and the engagement was costed at £2 million. However, flood defence schemes have been implemented elsewhere with less engagement so counting the full £35 million as a benefit of engagement would be misleading.

It was calculated that for the project to be cost effective on future occasions the probability of success needed to increase by 5.7% (£2 m/£35m). So, for 20 projects of this kind engagement would only need to change the result from rejection to acceptance in one case to make conducting engagement in all the projects worthwhile.

These calculations have been adapted from an Environment Agency report. For further information please visit:

<http://www.nice.org.uk/guidance/index.jsp?action=download&o=36594>

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<sup>23</sup> Leicestershire County Council (2010) Hard times, hard choices  
[http://www.leics.gov.uk/index/your\\_council/haveyoursay/budget\\_consultation\\_2010\\_11.htm](http://www.leics.gov.uk/index/your_council/haveyoursay/budget_consultation_2010_11.htm)

#### Box 14: Estimating the cost of risk

If you have 100 environmental protection schemes with significant engagement and 100 without and 75 of the first set of schemes were considered successful whereas in the second set only 50 were successful we can suggest that (all else being equal) engagement increases the likelihood of a scheme being successful by 25%.

To work out if this 25% is enough of a change to make the engagement worthwhile you take the monetary cost of the engagement and divide it by the monetary value of the benefits and multiply the result by 100. This gives you the percentage increase of success that the engagement needs to deliver in order to be cost effective.

$(\text{The cost of engagement} / \text{The benefit of the project}) \times 100$ .

For example if:

Cost of engagement = £200,000

Benefit of project = £1,000,000

$(£200,000 / £1,000,000) = 0.2 \times 100 = 20\%$

In this example, engagement would need to increase the likelihood of a successful policy or service outcome by 20%, on average, to be cost effective. In the environmental schemes described above the engagement seemed to increase the success rate by about 25%. The value of the engagement could therefore be rated at 5% (25% minus 20% in the worked example) of the project benefits (£1,000,000 in the worked example) = £50,000.

Another way of looking at this would be that with the figures given, if for 20 projects of this kind engagement were to change the decision from NO (without engagement) to YES (with engagement) in only four of the projects it would be worthwhile to conduct engagement in all the projects.

## Non-monetary costs

Most non-monetary costs are unintended outcomes of engagement, associated with risks rather than inputs. Engagement brings with it risks and at the same time can help mitigate against some types of risk.

The National Audit Office (2009) identified four categories of risk that need to be monitored and managed, each of which has implications for engagement<sup>24</sup>:

- Financial risks
- Performance risks
- Reputational risks
- Opportunity risks

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<sup>24</sup> National Audit Office (2009) *Practical guidance on implementing the principles of proportionate monitoring*. [http://www.vast.org.uk/downloads/finance/intelligent\\_monitoring.pdf](http://www.vast.org.uk/downloads/finance/intelligent_monitoring.pdf)

Table 6 Risk categories

Risk	Why is this a risk for engagement?	How engagement might mitigate against this risk
<b>Financial risks</b>	Engagement might lead to a delay in decision making which incurs extra costs. The budget for engagement may be exceeded.	Engagement may uncover unworkable policies or unintended consequences before a programme is implemented, thus avoiding unnecessary expenditure. Engagement may also lead to programmes which are closely tailored to local needs.
<b>Performance risks</b>	Engagement may bring in new information which could challenge your original plans and objectives.	Engagement may uncover unexpected risks to the success of the programme at an early stage which can then be avoided.  Engagement may bring key stakeholders onboard.
<b>Reputational risks</b>	Engagement may increase public expectations to unrealistic levels.	Being seen to be listening to local views can enhance the organisation's reputation.
<b>Opportunity risks</b>	Engagement may breed a risk averse culture due to ill-informed public views.	Engagement may highlight new opportunities that the public and providers were unaware of.

Other examples of unintended costs that you might need to track and possibly monetise include decreased staff satisfaction and increased stress levels.



## Non-monetary benefits

Non-monetary benefits are very important but may get overlooked as they are not usually measured and are difficult to assign a monetary value to. For example, decisions and services may be cheaper and easier to implement because they are based on accurate information, and better information helps to avoid unforeseen conflict in the future. One of the benefits that participants value most is influence over decisions; a democratic benefit which is very hard to place a monetary value on.

Other common benefits that are difficult to place a monetary value on include:

- Learning and skills building amongst participants
- Increased awareness of government policies and services
- Changed personal behaviour (relating to health, climate change etc.)
- A more representative group of participants in decision making
- Increased social capital, social cohesion and inclusion

This highlights the point that many of the most important benefits of engagement are as much about quality as they are about pounds and pence and may not be immediately visible. In the long term engagement can lead to real cost savings and other financial benefits.

## Example costs and benefits studies

Here are some example costs and benefits taken from the organisations that Involve worked with to inform this project, some of which are quantifiable and some of which are not. **Appendix 7** gives more detail about each case study and building their business case.

Case study	Example costs	Example benefits
<b>Presentation of Cancer Collaborative: North East Lincolnshire</b>	Staff time	Large percentage increase in early referral rates
	Communications	Improved health literacy
	Events	Empowered participants
		Increased satisfaction of service users



### Box 15: Experience Based Design in Wakefield

A partnership between NHS Wakefield and Wakefield District Community Services (WDCS) was developed to improve wheelchair services based on patient, carer and staff experiences.

The aim was to make the wheelchair service more responsive to user needs through engagement and feedback.

The key benefits of this project were non-monetary. The engagement resulted in a change to the way that staff provided information to wheelchair users. Some of the feedback indicated that users were not happy with the service they got from the approved repairer. As a result, wheelchair services contacted the approved repairer and organised a meeting to introduce improvements.

See Appendix 7 for more detail

<b>Experience Based Design Pilot: NHS Wakefield wheelchair services</b>	Staff time (low cost)	Service better tailored to the needs of the wheelchair user  Increased efficiency of service  Increased satisfaction of service users
<b>Neighbourhood Governance Pilot: Luton Borough Council</b>	Staff time  Event costs	Additional funding awarded  Streamlined services  Improved reputation and branding of organisation  Increased satisfaction of service users
<b>Norfolk Ambition Participative Budgeting: Norfolk County Strategic Partnership</b>	Staff time  Event cost	Strengthened relationship between the council and the public  Increased community cohesion  More partnership working opportunities  Increased satisfaction of service users

## Problem solving

How to deal with common problems when valuing engagement:

<b>I can't find information or information is confidential</b>	<p>If it is difficult to gather certain bits of information, you can assign proxy measures that do not measure the intended benefit or cost directly but that are close enough to be useful, or use evidence from similar exercises.</p> <p>For example even if you cannot measure service improvements directly the frequency and severity of complaints calls may be a useful proxy. Also it may be possible to find a previous study of a similar area and apply their findings to your situation. A menu of proxies can be found in Appendix 5.</p>
<b>No market value</b>	<p>Where there is no clear market value you can still make the case for non-monetary benefits. See the section on assessing costs and benefits for more detail, p. 19.</p>

<p><b>Benefits lie far in future</b></p>	<p>If the benefits are anticipated to occur a long time in the future, then explain why you think that is the case and allocate an approximate value. Point to similar projects that have had beneficial results, and highlight the early indicators of that success.</p> <p>It is also important to outline in the business case how you intend to track the benefits over time. Compile an action plan and include any key milestones. Seek out quick wins.</p>
<p><b>Easier to measure costs than benefits</b></p>	<p>It will often be more straightforward to measure the costs than the benefits. The key is to be honest about this, and to make any assumptions clear. In part this is because public bodies have well developed processes for defining and measuring input costs but not for impacts and outcomes. Established financial management procedures create this imbalance and your business case helps to counteract this tendency.</p>
<p><b>Hard to prove cause and effect</b></p>	<p>Draw upon evidence from other case studies and use comparators where possible. Don't over claim. If the correlation between cause and effect lacks evidence then say so, but give reasons for why you think the engagement <i>might</i> have caused that result, whilst considering the other factors which might be responsible.</p>

## 6. How to feed back the results

After completing the analysis of costs and benefits you need to prepare a convincing business case that tells a story, including some or all of the following:

- Demonstrate how engagement delivers value for money
- Demonstrate the benefits achieved through the engagement
- Identify cases where engagement is not delivering good value for money, and why
- Identify the lessons for future engagement strategies and practice

### *Include softer outcomes*

Don't feel that you have to limit yourself to using monetary measures - anecdotal evidence and quotes can be very persuasive alongside the monetary benefits.

The value of non-monetary benefits should not be underestimated and in the long term can also bring down the monetary costs. How you use your findings will depend on the type of business case you have decided to create.

### *Choose the right medium*

There are many ways to make the business case; for example PowerPoint, reports and face to face study visits can all be good ways to make the benefits clear to decision makers. Be creative. The format and style of the business case should depend on who you want to speak to. If you are trying to convince an executive member of staff then consider a one page report. If you need to convince the public or a wide range of stakeholders then a short press release might be most useful.

Presentations are a good way to demonstrate your business case, especially if you are looking to showcase your work to colleagues from within or outside your organisation.

### *Get the content right*

In most cases a short report will be the most effective way to present your results as it will allow you to get across all the information to a variety of people at the same time. A report should contain the following:

#### **A brief summary**

Make sure that you get the key messages out in the first few sentences. That way busy senior staff will not have to read the whole report.

After talking your audience through the broader drivers for engagement, be clear about the specific aims of the project and highlight any legal or regulatory frameworks that require or encourage engagement.

#### **The costs and benefits**

Refer to the costs at an early stage rather than in the middle of the report or presentation. Use different types of evidence to paint a fuller picture of the engagement, add colour to reports by telling stories, providing quotes and pictures.

#### **A brief methodology**

Provide an account of how you got the information, the indicators you used, and how you gathered the data for the business case. If you have used any proxies make it clear where you used them, how you found them and why they are appropriate. Scrutinise your data, identify any gaps or inconsistencies.

## **7. Conclusions and way forward**

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*“Nowadays people know the price of everything and the value of nothing.”* Oscar Wilde

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This tool is designed to help you understand the value of engagement and to make a convincing business case by looking at the actual costs and benefits in detail.

Good quality public engagement needs to be carefully designed to fit the purpose, context and people it is intended for. The benefits will be undermined if engagement has not been well planned and run.

Practitioners in engagement understand the value of their work. They see the impact on the organisation culture, the people who take part and feel valued as a result, and ultimately the improvement in services and on policy. There is a general acceptance that engaging the public is important, as evidenced in the Duty to Involve, Total Place and government-backed initiatives such as Participatory Budgeting. But in a time of cuts and belt tightening engagement will need to compete with other priorities for funding. We will lose the argument for engagement unless we become better at making the benefits more visible and demonstrating its cost-effectiveness to service providers and the public.

There is a growing interest in and demand for ways to measure the value of public engagement and community development, across central and local government and the third sector. See **Appendix 6** for more detail. This work is still in its early stages and we need to begin a conversation about the costs and benefits of public engagement in our organisations, how and when it is appropriate and meaningful to measure its value. How far we can use methods such as cost benefit analysis and Social Return on Investment (SROI) to make the case for engagement? And what kind of tools do we need to help us on the way?

It has never been more important to make the case for getting citizens and service users more involved in decisions that affect them. We hope the toolkit helps you make a better case to your managers, elected representatives and the communities you serve. This report is about better evidence, not perfect truths. And so we finish with some insightful words to help you on your way...

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*"It is better to be roughly right than precisely wrong"* John Maynard Keynes

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## Appendix 1. Approaches to economic evaluation

Economic evaluation helps make decisions about how best to use the limited resources available to you. You first identify, and then measure and compare the costs and impacts of different interventions. Economic evaluation does not have to monetise costs and benefits (that is measure them in pounds and pence), for example they can be defined as increments and decrements of human welfare. However, monetary values are popularly used as they provide a common measurement unit that can be easily compared.

A key challenge for engagement practitioners is that many of the benefits of engagement are intangible and hard to monetise. There are several methodologies designed to measure value:

### Cost benefit analysis (CBA)

CBA is seen as one of the most robust economic evaluation methods. It is appealing because in theory it produces a clearer idea of the trade-offs between different options by making it enabling the direct comparison of the costs and benefits of a project. CBA requires a single unit of value for all impacts of the project so that a comparison can be made – most often money. This comparability is what makes CBA so appealing. CBA gives a more complete picture than other approaches. However, intangibles such as ‘strengthened relationships’ tend to be left out of the analysis as they are extremely hard to assign economic value to; more frequently major infrastructure programmes are moving away from relying on CBA alone.<sup>25</sup>

### Cost-effectiveness analysis (CEA)

Even when it is not possible to ascribe monetary value to the benefits of a project, it is often the case that one main benefit with a natural measurement unit can be determined, for example crime rates. CEA involves calculating the costs of producing units of benefit and various programmes can then be compared to one another with priority given to the option with the lowest cost per unit of outcome produced. The objective is decided upon, and then the CEA analyses the various options by which to attain that objective.<sup>26</sup> For example it might be possible to do a cost effectiveness study of different engagement activities and what impact they have on levels of trust; thus identifying the approach which provides the most cost efficient approach to increasing trust.

### Social return on investment (SROI)

The SROI model is a measure designed to attribute and capture the value of the social benefits of investment. Most commonly the SROI model is used to assess public funds, translating environmental, economic and social outcomes into monetary values. Developed from cost-benefit analysis, SROI is a participatory, multi-stakeholder approach to measurement. It balances the sum of the benefits of a project with the investment that was required to achieve those benefits. The result is a ratio of the net present value of benefits to the net present value of the investment.<sup>27</sup>

$$\text{SROI} = \left[ \text{Net present value of benefits} \right] / \left[ \text{Net present value of investment} \right]$$

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25 Involve (2005). The True Costs of Public Participation. (Involve), p.43.

26 Involve (2005). The True Costs of Public Participation. (Involve), p.41.

27 Neitzert, E. and Ryan-Collins, J. (2009). A better return: setting the foundations for intelligent commissioning to achieve value for money. (NEF and National Programme for Third Sector Commissioning), p.9

## Appendix 2. The checklist

Project overview information		Do you have the data?
Numbers of participants involved in the project and their role		<input type="checkbox"/>
Methodology for the project – including how long it lasts		<input type="checkbox"/>
What the objectives for the project are		<input type="checkbox"/>
What went well, what did not go so well and what unexpected results did you experience? (for evaluations)		<input type="checkbox"/>
Costs information	Data	In £?
Total budget for the project and over/underspend	<input type="checkbox"/>	<input type="checkbox"/>
Staff time - internal & external (including overheads, rent, pensions, NI, Training, Recruitment, Travel and subsistence)	<input type="checkbox"/>	<input type="checkbox"/>
Event costs - including venue, refreshments, AV, staff, information materials etc	<input type="checkbox"/>	<input type="checkbox"/>
Communications costs - Postage, telecommunications, outreach, website, PR etc	<input type="checkbox"/>	<input type="checkbox"/>
Participant costs – travel and subsistence, incentives, training/capacity building, time costs only if also measuring time savings	<input type="checkbox"/>	<input type="checkbox"/>
Any other costs linked to engagement	<input type="checkbox"/>	<input type="checkbox"/>
Benefits information	Data	In £?
Changes resulting or expected from the engagement and the indicators used to measure these:		
- New resources created or accessed (e.g. new funding, volunteers)	<input type="checkbox"/>	<input type="checkbox"/>
- Improvements to services (more appropriate use of services and resources, reduced time use, health outcomes, crime reduction etc)	<input type="checkbox"/>	<input type="checkbox"/>
- Behavioural outcomes (Satisfaction levels and improved relationships, reduced time spent on complaints etc)	<input type="checkbox"/>	<input type="checkbox"/>
- Efficiencies/Partnership working (joint resources e.g. staff, events etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Details of any other money savings expected as a result of the process	<input type="checkbox"/>	<input type="checkbox"/>
Recorded feedback from participants regarding process, incl. follow up assessments.	<input type="checkbox"/>	
Outcome information	Data	In £?
Any non-monetary costs and benefits associated with the project (e.g. increased social inclusion and community cohesion).	<input type="checkbox"/>	
What was the alternative to engagement, for example the 'do nothing' option? Can you estimate costs and benefits for this?	<input type="checkbox"/>	<input type="checkbox"/>

## Appendix 3. The calculation tool

### Instructions for valuing engagement calculation form

Details of how to use the worksheets within this workbook are outlined below; please work through the sheets sequentially from left to right.

You can also fill in your data directly in the Calculation form in Excel and see the results straight away. [Follow this link to open the Excel sheet for comparing engagement projects with other projects.](#) [Follow this link to open the Excel sheet for measuring the costs and benefits of an engagement project on its own.](#) Please read the instruction sheet carefully before you start.

#### ***3.1. Project overview (on page 41)***

Enter into the text boxes on the right hand side the relevant information about your engagement project. This is to help you articulate the project and its merits for when developing the business case.

#### ***3.2. Costs (on page 43)***

This is where you enter all monetary costs related to the engagement project.

The **Costs** column is where you enter your MONETARY values

The **Comments** column is where you enter any additional information relating to the costs - for example how you calculated that figure.

#### ***3.3. Benefits (on page 45)***

This is where you enter all monetary benefits related to the engagement project.

The **Benefits** column is where you enter your MONETARY values

The **Comments** column is where you enter any additional information relating to the benefits - for example how you calculated that figure.

#### ***3.4. Non monetary benefits (on page 48)***

This is where you enter all non-monetary benefits related to the engagement project.

The **Second** column is where you enter in TEXT format the non monetary benefits.

The columns to the right are asking you the question - do you have evidence? and can you assign a value to this? These questions will help you think through how to gather more useful information with regards to the non-monetary impacts of your engagement project.

#### ***3.5. Non monetary costs (on page 49)***

This is where you enter all non-monetary costs related to the engagement project.

The **Second** column is where you enter in TEXT format the non monetary costs.

The columns to the right are asking you the question - do you have evidence? and can you assign a value to this? These questions will help you think through how to gather more useful information with regards to the non-monetary impacts of your engagement project.

#### ***3.6. Calculation (on page 50)***

This is where you use the costs and benefit information from the rest of the workbook to calculate the value of engagement for your project.



## Appendix 3.1 Project overview

Project Name	Enter description in this column
<b>What is the aim of the project?</b>	
<i>What are you trying to achieve?</i>	
<i>What specific difference is it trying to make?</i>	
<b>How are you trying to achieve those aims?</b>	
<i>What is the methodology?</i>	
<i>How long is the project to last?</i>	
<b>How do you know this was an issue?</b>	
<i>What information and statistics did you use to develop your project?</i>	
<b>Which organisation is responsible for the project?</b>	
<i>What are the different roles?</i>	
<i>Who will commission and fund it?</i>	
<b>Who will you engage with?</b>	

<i>Who are the target participants?</i>	
<i>How many will be involved?</i>	
<b>What went well about the project? (for evaluations)</b>	
<b>What didn't go so well about the project? (for evaluations)</b>	
<i>What will be challenging about the project?</i>	
<i>What would you do differently?</i> <b>(for evaluations)</b>	
<b>Did you meet the objectives of the project?</b> <b>(for evaluations)</b>	
<i>Do you have any evidence in the form of feedback/evaluation forms?</i>	
<i>Were there any unexpected impacts?</i>	

## Appendix 3.2 Costs

Staff costs	Includes	Estimate costs of engaging	Please add any comments and explanations here
	Internal staff costs	£0.00	
	External staff costs	£0.00	
	Rent	£0.00	
	Pensions	£0.00	
	NI	£0.00	
	Training	£0.00	
	Recruitment	£0.00	
	Travel and subsistence	£0.00	
<b>Total</b>		Sum of the staff costs	
Event costs	Includes	Amount	Comments
	Venue	£0.00	
	refreshments	£0.00	
	AV	£0.00	
	Venue staff (and facilitation staff)	£0.00	
	information materials	£0.00	
<b>Total</b>		Sum of the event costs	

Communications costs	Includes	Amount	Comments
	Postage for mail outs	£0.00	
	Advertising and publicity information	£0.00	
	Website supporting engagement	£0.00	
	Public Relations company	£0.00	
<b>Total</b>		Sum of the communications costs	
Participant costs	Includes	Amount	Comments
	Travel and subsistence	£0.00	
	Incentives	£0.00	
	Training/capacity building for role in engagement	£0.00	
	Time costs (only if also measuring time savings in benefits sheet)	£0.00	
<b>Total</b>		Sum of the participant costs	
Other costs	Includes	Amount	Comments
<b>Other costs of engagement</b>		£0.00	
<b>Total</b>		Sum of the other costs	
	<b>TOTAL COSTS</b>	<b>Sum of all costs listed above</b>	

## Appendix 3.3 Benefits

New resources created/accessed	Includes	Estimate benefits of engaging	Please add any comments and explanations here
	Increased funding from other sources	£0.00	
	New access to volunteer labour (The cost of providing the service or activity using paid staff)	£0.00	
	New intelligence and information (The cost of gathering the same information using a market research company)	£0.00	
	New and improved relationships (The cost of building the same links through a PR and communications exercise)	£0.00	
	Citizen developed campaign or marketing (The cost of developing a similar campaign through a professional campaign company)	£0.00	
	Increased public awareness of public services (The cost of achieving a similar level of awareness through campaigns or PR)	£0.00	
	Other	£0.00	
<b>Total</b>		Sum of new resources created	

Improvement to uptake of services	Includes	Amount	Comments
	Health improvements	£0.00	
	Crime reduction	£0.00	
	Environmental improvements	£0.00	
	Other	£0.00	
<b>Total</b>		Sum of the improvement to uptake of services	
Improvement to quality of service	Includes	Amount	Comments
	<b>Reduced administrative burden</b> (time spent on task compared with previous system)	£0.00	
	<b>Reduced service use or lower running costs</b> (Service use statistics compared to pre situation, for example for a hospital – increase in preventative service use, decrease in acute service use)	£0.00	
	<b>More efficient services</b> (Participant and staff time spent on service delivery before and after event)	£0.00	
	Reduced activities due to participant feedback	£0.00	
	Reduced monitoring costs	£0.00	
	Less time spent on complaints	£0.00	
	Less time spent on FOIs	£0.00	
	Lower cost of stress	£0.00	
	Lower communications costs	£0.00	
	Less spend on legal fees	£0.00	

	Lower costs of marketing	£0.00	
	Levels of staff retention and satisfaction	£0.00	
<b>Total</b>		Sum of the improvements to the quality of service	
<b>Attitudinal benefits</b>	<b>Includes</b>	<b>Amount</b>	<b>Comments</b>
	Satisfaction levels/Improved relationships (e.g. Time spent on complaints)	£0.00	
	Brand value	£0.00	
	<b>Reduced conflict</b> (time spent on complaints, risk of conflict costs e.g. court fees)	£0.00	
<b>Total</b>		Sum of attitudinal benefits	
<b>Efficiencies/Partner ship working</b>	<b>Includes</b>	<b>Amount</b>	<b>Comparison?</b>
	Sharing of resources across public bodies, reduction of duplication	£0.00	
<b>Total</b>		Sum of efficiencies	
<b>Other benefits</b>	<b>Includes</b>	<b>Amount</b>	<b>Comments</b>
<b>Other benefits linked to engagement</b>		£0.00	
<b>Total</b>		£0.00	
	<b>TOTAL BENEFITS</b>	<b>Sum of all benefits listed above</b>	

### Appendix 3.4 Non-monetary benefits associated with engagement project

To participants	What are they?	Do you have evidence?	Can you assign a value to this?
To staff	What are they?	Evidence	Value
To authority	What are they?	Evidence	Value
To society	What were they?	Evidence	Value



### Appendix 3.5 Non monetary costs

To participants	What are they?	Do you have evidence?	Can you assign a value to this?
To staff	What are they?	Evidence	Value
To authority	What are they?	Evidence	Value
To society	What are they?	Evidence	Value

## Appendix 3.6 Calculating costs and benefits

Totals		Enter Total Here
<b>Costs</b>	Total costs (take from above)	
<b>Non monetary costs</b>	Total non-monetary costs	See below
<b>Benefits</b>	Total Benefits (Take from above)	
<b>Non monetary benefits</b>	Total non-monetary benefits	See below
<b>Equation</b>	$(\text{Benefits} + \text{NM Benefits}) - (\text{Costs}) - (\text{NM Costs}) = \text{Value}$	
	<b>Equation result</b>	

Non monetary benefits (take from above)	Enter text below
<b>To participants</b>	
<b>To staff</b>	
<b>To authority</b>	
<b>To society</b>	

Non monetary costs (take from above)	Enter text below
<b>To participants</b>	
<b>To staff</b>	
<b>To authority</b>	
<b>To society</b>	

## Appendix 4. The calculation tool scrutiny checklist

This sheet is for you to use to scrutinise the cost – benefit data you have collected for your engagement project.

Once you have filled in the equation form, it is important that you cross analyse all of your inputs using this sheet to ensure you have not entered any incorrect or ambiguous information that may affect the value of your business case.

Simply go through each of the sections and write your responses in the boxes.

### The costs of engagement

	How do you know this figure? Where has it come from?	How likely is it that this cost/benefit would have occurred even if engagement hadn't taken place?	How confident are you in this figure?	Are you sure you haven't double counted?	Have you considered the costs and benefits related to partners involved?
Staff costs	Figure	No engagement	Confidence	Double counting	Partners
Event costs	Figure	No engagement	Confidence	Double counting	Partners

Communications costs	Figure	No engagement	Confidence	Double counting	Partners
Participant costs	Figure	No engagement	Confidence	Double counting	Partners
Other costs linked to engagement	Figure	No engagement	Confidence	Double counting	Partners

## The Benefits of engagement

	How do you know this figure? Where has it come from?	How likely is it that this cost/benefit would have occurred even if engagement hadn't taken place?	How confident are you in this figure?	Are you sure you haven't double counted?	Have you considered the costs and benefits related to partners involved?
New resources	Figure	No engagement	Confidence	Double counting	Partners
Improvement to the uptake of services	Figure	No engagement	Confidence	Double counting	Partners
Improvement to the quality of services	Figure	No engagement	Confidence	Double counting	Partners

Attitudinal Benefits	Figure	No engagement	Confidence	Double counting	Partners
Efficiencies/partnership working	Figure	No engagement	Confidence	Double counting	Partners
Other benefits	Figure	No engagement	Confidence	Double counting	Partners

## Appendix 5. Proxies

This section outlines a number of cost and benefit values that have been gathered from a number of places. Some are from previous research and reports; others are the result of Involve’s experience in the field or informal surveys of leading providers. We have given averages where we have used data from multiple sources. This section is for you to find values that you can use if you are unable to identify the exact cost or benefit value for your project. This is called ‘cost transfer’ or ‘benefit transfer’.

It is much better to get an accurate value by gathering data directly but if you are unable the second best is often to ‘borrow’ a value from other sources. Make it clear in your business case that you have borrowed data, and any assumptions you have made.

### Costs to the organisation

#### Internal Staff Costs

#### Local Government pay bands

The London allowance = £3,299

Pay Scale	Wage	Day rate average
Scale 1 - Assistant	£12,145-£13,589	£49.49
Scale 2	£13,874-£15,444	£56.38
Scale 3	£15,725-£16,830	£62.60
Scale 4	£17,161 –£19,621	£70.86
Scale 5	£19,621-£21,519	£79.11
Scale 6	£22,221-£23,708	£88.32
<b>Principal Senior Managers</b>		
SO1 – Assistant	£24,646-£26,276	£97.92
SO2	£27,052 –£28,636	£107.09
PO1 – Officer	£27,849 –£30,011	£111.27
PO2	£29,236- £31,754	£117.29
PO3	£31,754 - £34,549	£127.50
PO4 – Manager	£34,549 –£37, 206	£137.99
PO5	£37,206 –£39,855	£148.19
PO6	£38,961 –£41,616	£155.07
PO7	£42,513 –£46158	£171.68
PO8	£47,123 - £51,907	£190.44
PO9 – Co-ordinator	£52,919 - £56,685	£210.78

Source: [National Joint Council NJC Pay scales 2008-2009 - http://www.lvsc.org.uk/Templates/information.asp?NodeID=90195](http://www.lvsc.org.uk/Templates/information.asp?NodeID=90195)

These scales are not definitive – the National Joint Council suggest pay scales and it is up to the individual local authority to adhere to them or not. They are merely recommended salaries.

## Time Costs

### Average hourly wage in the UK = £8.90/hr

Average wage in the country for Male and females (The Office for National Statistics' Annual Survey of Hours and Earnings (ASHE), 2008)

### Minimum wage in the UK = £5.80 /hr

For workers aged 22 years and older (From 1 October 2009)

## Volunteer time costs

### The value of a one hour time saving for 'free time' is £5.85.

This figure is taken from Department for Transport's approach to valuing time in the appraisal of road schemes and other projects. The approach uses different values for 'employers' time and 'own' time and calculates the value of time-savings as the opportunity cost of the time to the employer and individuals.

**CLG (2010). *Understanding the Value and Benefits of Establishing and Running a Local Information System.***

<http://www.communities.gov.uk/documents/communities/pdf/1448815.pdf>

## External staff costs

### Not for profit consultancy rates

Senior Consultant rates - £800/day

Junior Consultant rates - £400/day

## Overheads

Three councils surveyed: 12% median amount allocated to overheads per project..



## Costs related to engagement events

### Cost of engagement methods

For further information on types and costs of engagement methods visit the website

[www.peopleandparticipation.net](http://www.peopleandparticipation.net)

<http://www.peopleandparticipation.net/display/Involve/Home>

Method	Description	Costing
<b>Conversation cafe</b>	'Conversation Cafes' is a generic name for activities that involve informal, hosted, drop-in discussions in cafes, bookshops and other public places.	Under £500 per meeting not including staff time, external venue or facilitation.
<b>Focus group</b>	Focus groups allow for an in depth discussion on a specific topic with a few people over a couple of hours.	Around £500 per meeting if done in house. If run externally costs around £3,000
<b>User panels</b>	Regular meetings with service users regarding the quality of the service. Helps to identify the concerns and priorities of service users.	Approx. £1,000 per meeting – for example, the cost of a facilitator and hiring a small venue.
<b>Deliberative workshop</b>	A form of facilitated group discussion that provide participants with the opportunity to consider an issue in depth, challenge each others opinions and develop their views/arguments to reach an informed end position.	Approximately £3,000 to £10,000. Costs increase if you need to recruit participants for a random selection. Incentives may need to be offered incl. travel expenses.
<b>Citizens panel</b>	Large demographically representative group of citizens used to assess public preferences and opinions.	£5,000/year to over £20,000 to run, more to set up.
<b>Participatory budgeting</b>	Participatory budgeting is a decision-making process through which citizens deliberate and negotiate over the distribution of public resources.	Approximately £5,000 - £30,000 per PB event, depending on scale of exercise.
<b>Citizens jury</b>	A small panel of non-specialists, modelled to resemble a criminal jury, who examine an issue and deliver a verdict.	£20,000 - £50,000 including staff time.

### Venue

**Small venue up to 15 people**

Average price for a small venue -  
£306/day

**Medium venue up to 50 people**

Average price for a medium venue  
£405/day

<b>Large venue 100 persons – 150 people</b>	Average price for a large venue - £1050/day
<b>Community venue (Prices are based on hiring a small hall 80-100 people)</b>	Average price for a community venue = £17.80/hr
<b>Refreshments</b>	
<b>Small snack Selection of sandwiches and various nibbles – prices based on menus from various venues for hire NOT restaurants/catering companies)</b>	Average price of a small snack = £7.50
<b>Teas and coffees</b>	Average cost of tea and coffee per person - £2.20
<b>AV equipment</b>	
	Average cost of a microphone hire = £20/day Average cost of speaker hire = £39/day
<b>Hourly rate for catering staff</b>	
	Average cost of a member of catering staff = £9.97/hr
<b>Daily rate for facilitation staff</b>	
<b>Based on responses from the list of accredited facilitators on IAF website</b>	
	Average day rate for a facilitator = £478/Day

## Costs for publicising engagement activities

### Postage

Type of stamp	Cost (stamp)	Cost (franking machine)
1 <sup>st</sup> class stamp	39p	36p
2 <sup>nd</sup> class stamp	30p	25p

### Information materials

#### A4 printing

Average cost black and white A4 sheet = 14p

Average cost colour A4 sheet = 21p

#### A6 flyers (105mm \*148mm)

Printed full colour one side on 300g gloss art card – prices based on ordering 500

Average cost for A6 flyer = 11p

#### Flip chart paper

Average cost for a sheet of flip chart paper = 14p

#### Envelopes

White envelope. Dimensions 229\*162. Standard size

Average cost for an envelope = 3p

### Cost of setting up a website for 6 months

#### Costing

£250-300 very basic website

£600 (design and construction of a simple website)

### Day rate for a PR consultant

#### Costing

£222.22/day

£300 -£400 a day

£220-£250/day

£220/day

#### N.B.

This is heavily dependant on what they are expected to achieve and do. Many agencies and or local authorities would contact a PR consultant for the entire project, as it is cheaper and because

they could conduct PR campaign. The average rates for a PR consultant listed here refer to PR Executives as opposed to director level PR consultants.

**Average daily rate for PR consultant = £256.75**

## Costs related to service provision and improvement

### Smoking cessation

A useful tool to work out the cost of smoking in a given area is the ‘Smoking Costs Local Economy impact e model’ which local authorities can input various data sources in order to get a comprehensive understanding of the costs involved.

[http://www.smokingcosts.org/model\\_sources.html](http://www.smokingcosts.org/model_sources.html),

### Hospital

An example of when you would use this figure would be if for example you reduced the length of time individuals spent as in-patients as a result of the engagement activity.

**Average cost of usage for a hospital bed for a day = £250**

**Average cost of usage for a hospital bed for one week = £1750**

(Source: Abpi - [http://www.abpi.org.uk/press/media\\_briefings\\_07/health&med\\_07.pdf](http://www.abpi.org.uk/press/media_briefings_07/health&med_07.pdf))

### Attitudinal benefits

The cost is centrally derived from the number of staff allocated to each complaints department. There are also less significant costs including advertising the complaint service.

Working out	Cost
Manager PO6 (part only) + Quality Officer PO1 (Part only)	£34,069/Year
Complaints manager PO4 + Senior Complaints Officer PO1 + Members Enquiries and Complaints Officer SO1 + Admin Assistant Scale 5	£105,836/Year
PO6 + Scale 6	£63,250 (whole complaints team)

**Average cost of Local Authority complaints service: £67,000**

Savings made can also be expressed in an hourly reduction in time spent dealing with complaints around a particular issue multiplied by the staff costs per hour (see internal staff costs- average public sector pay/per hour).

## Reduced crime: crime typology costs

Types	Average costs	Weighting
<b>Violence</b>		
Homicide	£1,458,975	1
Serious wounding	£21,422	1.79
Other wounding	£8,055	1.79
Common assault	£1,441	7.66
Robbery	£7,282	3.67
<b>Burglary</b>		
Domestic burglary	£3,267	2.19
Commercial burglary	£2,920	2.07
<b>Theft</b>		
Vehicle theft	£4,137	1.16
Theft from person	£635	4.61
Theft from vehicle	£858	2.77
Attempted vehicle theft	£511	2.19
<b>Criminal damage</b>		
Arson	£867	4.29
Criminal damage to a dwelling	£867	4.29
Criminal damage to a business	£979	5.86
Other criminal damage	£867	4.29

Source: Home Office [‘The Economic and Social Costs of Crime’](#) Published 2005, Data Collected 03/04

N.B. This is a survey that was commissioned in 03/04 and is not something that is conducted every year; the results listed above are the most recent published on the costs of crime.

## Appendix 6. List of resources

Tools and guides		
Type	Description	Link
<b>Social Return on Investment (SROI)</b>	A network for social return on investment for those who want to become practitioners. Includes case studies.	<a href="http://www.sroi-uk.org/">www.sroi-uk.org/</a>
	A New Economics Foundation (nef) and Cabinet Office Guide to Social Return on Investment	<a href="http://tinyurl.com/yeax6ro">tinyurl.com/yeax6ro</a>
	European network for SROI, includes a list of resources and relevant projects	<a href="http://www.sroi-europe.org">www.sroi-europe.org</a>
	London Business School SROI video tutorial	<a href="http://sroi.london.edu/video.html">sroi.london.edu/video.html</a>
	Social Firms UK presentation on the Social Return on Investment	<a href="http://tinyurl.com/yghuetg">tinyurl.com/yghuetg</a>
<b>Cost benefit analysis</b>	A section about cost benefit analysis from an online book preview Reference: Guess, George M (2000) <i>Cases in Public Policy Analysis</i> Georgetown University Press: Washington	<a href="http://tinyurl.com/ygby34n">http://tinyurl.com/ygby34n</a>
	An online guide to cost benefit analysis	<a href="http://tinyurl.com/lfk97v">tinyurl.com/lfk97v</a>
	Example of a cost benefit analysis on the topic of flexible working	<a href="http://www.flexible-working.org/employers/costingJustifyingChecklist.html">http://www.flexible-working.org/employers/costingJustifyingChecklist.html</a>
<b>Cost effectiveness analysis</b>	Disease Control Priorities Project (DCP2) paper on: Using Cost-Effectiveness Analysis for Setting Health Priorities	<a href="http://www.dcp2.org/file/150/DCPP-CostEffectiveness.pdf">www.dcp2.org/file/150/DCPP-CostEffectiveness.pdf</a>
<b>General evaluation</b>	Community Development Exchange and National Empowerment Partnership (2008) Empowering Evaluation, Evaluating Empowerment	<a href="http://tinyurl.com/ykpczno">tinyurl.com/ykpczno</a>
	Department for Communities and Local Government (2009) An analytical framework for community empowerment evaluations	<a href="http://www.communities.gov.uk/publications/communities/analyticalframeworkcommunity">http://www.communities.gov.uk/publications/communities/analyticalframeworkcommunity</a>
	Engagement and Empowerment Measurement and Indicators. A case study commissioned by the South West Regional Consortium and National Empowerment Partnership	<a href="http://tinyurl.com/ycm4ptu">tinyurl.com/ycm4ptu</a>
	Explaining the difference your project makes: a BIG guide to the outcomes approach	<a href="http://www.biglotteryfund.org.uk/eval_explaining_the_difference_large.pdf">www.biglotteryfund.org.uk/eval_explaining_the_difference_large.pdf</a>

	HM Treasury The Green Book: Appraisal and Evaluation in Central Government	<a href="http://www.hm-treasury.gov.uk/d/green_book_complete.pdf">http://www.hm-treasury.gov.uk/d/green_book_complete.pdf</a>
	Making a difference: A guide to evaluating public participation	<a href="http://www.involve.org.uk/making_a_difference/">www.involve.org.uk/making_a_difference/</a>
	Participation Works (2008) Evaluating Participation: The Toolkit	<a href="http://www.participationworks.org.uk/resources/evaluating-participation-work-the-toolkit">http://www.participationworks.org.uk/resources/evaluating-participation-work-the-toolkit</a>
	Research Councils UK Evaluation Guide	<a href="http://www.rcuk.ac.uk/cmsweb/downloads/rcuk/publications/evaluationguide.pdf">http://www.rcuk.ac.uk/cmsweb/downloads/rcuk/publications/evaluationguide.pdf</a>
	Royal Academy of Engineering Ingenious evaluation guide	<a href="http://www.raeng.org.uk/societygov/public_engagement/ingenious/evaluation.htm">www.raeng.org.uk/societygov/public_engagement/ingenious/evaluation.htm</a>
<b>Impact Assessment</b>	Better Regulation Executive: Impact Assessments are used to assess the costs, benefits and impact of new regulations.	
	BRE – Impact assessment library	<a href="http://www.ialibrary.berr.gov.uk/links/">http://www.ialibrary.berr.gov.uk/links/</a>
	BRE – Impact assessment guidance	<a href="http://www.berr.gov.uk/files/file44544.pdf">http://www.berr.gov.uk/files/file44544.pdf</a>

## Research

<i>Type</i>	<i>Description</i>	<i>Link</i>
<b>Past projects</b>	Community Development Foundation (CDF) What is community empowerment worth? Making the Business Case	<a href="http://tinyurl.com/ykcj9jr">tinyurl.com/ykcj9jr</a>
	National Institute for Health and Clinical Excellence, project which brought together cost effectiveness vignettes on the subject of public engagement	<a href="http://tinyurl.com/yf9nhz8">tinyurl.com/yf9nhz8</a>
	Office of the Third Sector (OTS) and New Economics Foundation (nef) report based on research by nef into how spending on public services can be directed to achieve the best return for society	<a href="http://tinyurl.com/yb7zrwr">tinyurl.com/yb7zrwr</a>
	Research by the Department for Communities and Local Government (CLG) into crimes occurring and prevented in New Deal for Communities areas and the costs and benefits if these	<a href="http://www.communities.gov.uk/documents/communities/pdf/1425014.pdf">www.communities.gov.uk/documents/communities/pdf/1425014.pdf</a>
	Social Firms UK – a project which aims to prove the value of social firms	<a href="http://Socialfirmsuk.co.uk/resources/research/proving-value-social-firms">Socialfirmsuk.co.uk/resources/research/proving-value-social-firms</a>
	The True Costs of Public Participation, research by Involve into the costs and benefits of public participation	<a href="http://www.involve.org.uk/the_true_costs_of_public_participation/">www.involve.org.uk/the_true_costs_of_public_participation/</a>
<b>Current and ongoing projects</b>	Community Development Foundation (CDF) are embarking on a new project exploring the business case for community development	<a href="http://www.cdf.org.uk/web/guest/news-headline?id=212690">www.cdf.org.uk/web/guest/news-headline?id=212690</a>
	Improvement and Development Agency (IDeA) Business Case for Empowerment	<a href="http://www.idea.gov.uk/idk/core/page.do?pageId=17455595">www.idea.gov.uk/idk/core/page.do?pageId=17455595</a>
	Sciencewise-Expert Resource Centre and Shared Practice are undertaking an investigation into understanding the value of public engagement. More information is contained in this newsletter (p17)	<a href="http://tinyurl.com/y95mkld">tinyurl.com/y95mkld</a>
	SQW Consulting: Evaluation of Participatory Budgeting pilots	<a href="http://www.communities.gov.uk/documents/communities/pdf/1509753.pdf">www.communities.gov.uk/documents/communities/pdf/1509753.pdf</a>
	The Department of Health are working on a project looking into the economic case for public engagement	Not yet released



<b>Organisation</b>	<b><u>Website</u></b>
<b>Charities evaluation services</b>	<a href="http://www.ces-vol.org.uk/index.cfm?pg=627">www.ces-vol.org.uk/index.cfm?pg=627</a>
<b>Community Development Foundation (CDF)</b>	<a href="http://www.cdf.org.uk">www.cdf.org.uk</a>
<b>Consumer Focus</b>	<a href="http://www.consumerfocus.org.uk">www.consumerfocus.org.uk</a>
<b>Department for Communities and Local Government (CLG)</b>	<a href="http://www.communities.gov.uk">www.communities.gov.uk</a>
<b>Department of Health</b>	<a href="http://www.dh.gov.uk">www.dh.gov.uk</a>
<b>European Network for Social Return on Investment</b>	<a href="http://www.sroi-europe.org">www.sroi-europe.org</a>
<b>Improvement and Development Agency for Local Government (IDeA)</b>	<a href="http://www.idea.gov.uk">www.idea.gov.uk</a>
<b>Involve</b>	<a href="http://www.involve.org.uk">www.involve.org.uk</a>
<b>National Institute for Health and Clinical Excellence (NICE)</b>	<a href="http://www.nice.org.uk">www.nice.org.uk</a>
<b>New Economics Foundation (nef)</b>	<a href="http://www.neweconomics.org">www.neweconomics.org</a>
<b>Sciencewise – Expert Resource Centre</b>	<a href="http://www.sciencewise-erc.org.uk">www.sciencewise-erc.org.uk</a>
<b>Shared practice</b>	<a href="http://www.sharedpractice.org.uk">www.sharedpractice.org.uk</a>
<b>UK Social Return on Investment Network</b>	<a href="http://www.sroi-uk.org">www.sroi-uk.org</a>

## Appendix 7. Case study and methodology

### Methodology

As part of the research for this project Involve undertook in-depth interviews with project managers from a variety of engagement projects. During the interviews we explored how they might work their way through the equation tool to make the business case for their project.

The case studies below demonstrate some of the key details about these projects. They provide information about the types of cost and benefit data that can be collected and highlight what we can learn from these case studies in making a business case.

### Presentation of cancer collaborative: unique improvements and North East Lincolnshire PCT

#### *Description and aims*

This project mixed community engagement, social marketing and community development to help empower the local community and reduce health inequalities in North East Lincolnshire. The idea of the collaborative was to raise awareness of symptoms of certain types of Cancer as well as to involve and empower a significant number of community members in determining the course of the project, designing and running the activities. The aim of the programme was to contribute to a reduction in cancer mortality rates and increase the number of local people involved in making a difference.

#### *Activities*

The programme involved setting up working groups involving members of the public and PCT staff. The groups identify areas of local concern (in this case around the subject of health), decide on a plan of action and then undertake the activities. The process takes place over three phases:

- 1. Preparation** - During this phase the project team undertake scoping, research and recruit participants for the community teams.
- 2. Learning event** - Community teams come together in a three day learning event to learn about known good practice, evidence and some quality improvement tools and techniques.
- 3. Action period** - The project teams undertake the activities and design the awareness-raising programmes. They also undertake rigorous measurement of the changes pre and post the programme.

## *Costs and benefits*

### **Key costs**

#### Internal and external staff costs

The programme is delivered by a third sector organisation (Unique Improvements). It also has one full time project officer from the PCT and requires staff attendance at events.

#### Venue hire

At the learning event stage the participants and staff are brought together in a hotel.

#### Communications

A large emphasis of the work is around awareness raising and this involves advertising and communications locally.

### **Key benefits**

#### Getting people to talk about their symptoms

Throughout the programme a total of 17,107 people were engaged in significant symptom conversations at the 149 promotional events

#### Improved use of a service

programme the PCT has reported a:

- 30% increase in the number of bowel cancer 2 week wait referrals
- 25% increase in the number of gynaecological cancer 2 week wait referrals
- 65% increase in the number of prostate cancer 2 week wait referrals

#### Partnership working

The project is supported by a number of partners across the local area including regional networks, transport services, GP practices and local businesses

## *Towards making the business case*

The team responsible for the Collaborative has invested a lot in collecting the outcome data which demonstrates the value of their work. They are able to prove that their work led to improved use of health care services, in this case the early referral service. They have also increased health literacy in the area; the output of the 17,107 significant symptom conversations might be used to demonstrate that they got people talking about cancer and its symptoms.

### **Understand what you can measure**

In order to make the business case for this type of project you need to define the parameters of what you are going to measure early on in the process. If you want to demonstrate improvements in local health outcomes then this will often involve working with the local data that is available to you. In this example they worked with GP's referral rates recorded by the PCT.

The project staff were able to point to anecdotal evidence to illustrate these improved outcomes; participants shared stories about people they know who, as a direct result of the programme, had recognised symptoms and had sought medical advice.

### Working with proxies

The Collaborative could have used proxies to make decisions to assign a value to the significant symptom conversations. The project team could explore how the public might otherwise have received a similar service (for example, through a health drop-in centre, a health outreach worker) and calculate the costs saved.

If we assume that each significant symptom conversation amounts to the type of intervention that an outreach health worker might make, then we can assign the proxy value of the average hourly rate + overheads for a health worker. For the purposes of this exercise we assume that the average wage for a health worker is £8 p/h plus 10% overheads. We also assume that the average significant symptom conversation lasted 15 minutes. We have therefore assigned the work a value of £37,635.

Significant symptom conversations		Quarter hourly rate of a outreach health worker plus overheads		Total proxy value
17,107	X	£2.20	=	£37,635

However, **be clear about the costs**. To get the best possible assessment of the value of these interventions we would need to include all the available data on the cost of these conversations to set up, staff and run.

### Making the most of your “soft outcomes”

The collaborative project also increased social capital among the participants. Although outcomes like this are difficult to assign a value they are still important to the business case. Consider adding quotes from participants and example stories from the activity to add colour to your report and back up your claims. If you think that you can demonstrate that engagement has had an impact on the perceptions of people outside the core participants then you might want to use existing surveys to track this, although proving causality (particularly for smaller projects) is difficult.

## Experienced based design pilot: NHS Wakefield and Wakefield District Community Services (WDCS)

### *Description and aims*

This was a joint project between NHS Wakefield and Wakefield District Community Services (WDCS). The idea was to improve wheelchair services in the area based on patient, carer and staff experiences. The Experienced Based Design (EBD) approach was used as a framework. The aims of the project were to make the wheelchair service more responsive to user needs and feedback. EBD was chosen because engagement staff within the PCT wanted to trial the methodology.

### *Activities*

EBD is an approach to capturing the experiences of people involved in healthcare services. It looks at the journey that people make navigating the care or health service and then looks at the emotions that people experience at different junctures and parts of the service. The staff work with patients and carers to understand these experiences and make improvements to the service.

Work on the Wakefield Wheelchair EBD project involved the following activities:

- **Designing experience tools** with input from two wheelchair clients (paediatric and adult).
- **Capturing the experience** the team spent time in WDCS, over a 3 week period, talking to clients, asking them to complete the experience tools and recruiting volunteers for the focus groups. A total of 36 people completed the client experience questionnaires and staff logs
- **Understanding the experience** - Client experience tools were analysed, and the staff recorded their experience in diary/logs.
- **Working together** 3 focus groups took place, one with staff, one with clients and one with both staff and clients

The project is now in the co-design stage, where groups are formed and assigned to work on one of the improvements areas identified through the engagement.

### *Costs and benefits*

#### **Key costs**

##### Staff time

The key cost associated with this project was staff time. It wasn't a very intensive project and did not involve much resource. The project manager kept records of the amount of time spent by each member of staff and their pay bands.

#### **Key benefits**

##### Gaining valuable feedback

Some of the feedback indicated that the wheelchair users were not happy with the service they got from the approved repairer. As a result of that, wheelchair services contacted the approved repairer and have organised a meeting to seek changes.

### Mail-outs and leaflets

A small amount was spent on advertising the engagement to wheelchair users through mail-outs and leaflets

Service better tailored to user needs The engagement resulted in a change to the way that staff provided information to wheelchair users. At the focus groups patients stated that they would prefer to receive relevant information at the appropriate time. So the previous large booklet sent out to all new patients has now been replaced with a letter.

Opportunities for partnership working To address the support mechanisms required by the wheelchair users, PCT staff needed to work with social services and education services to design new criteria to take into account the holistic needs of the user.

## *Towards making the business case*

### **No financial benefits?**

Sometimes you will need to make a business case when none of your key aims or outcomes can be assigned a financial value, and that is fine. Be clear at the start about what the aims of your project are and what indicators you will use to measure these. It might be as simple as collecting participant interviews on the day. The key to making the business case when there is no financial data is in the way it is presented. Use examples and quotes from participants to bring your findings to life, put your engagement in the context of a wider drive towards making your service more accountable to the public and the benefits of this.

The Experienced Based Design project was low cost. Despite this, the organisers are able to point to demonstrable outcomes and findings which wouldn't have occurred had the project not taken place. Even though we cannot assign a monetary value to these outcomes they help us to make the case for this engagement. Moreover, the team trailed a fairly experimental and innovative approach to public engagement which they will be able to showcase to their colleagues. So in this case, engagement because it is "the right thing to do" is a strong argument.

### **Holding out for the long term**

However, if the project organisers wanted to make the business case using quantifiable benefits they could invest time in collecting data once the changes have been made to the service. They might choose to do this by comparing wheelchair users' feedback before and after the changes were made. Or tracking the number of wheelchair returns.

### **The value of partnership working**

The EBD process helped the staff to identify where wheelchair users are unhappy with an aspect of the service which requires better coordinated working between the local agencies. The participants identified that they were not happy with the criteria for the choice of chair they received. They felt that the choice depended on their health requirements and not their lifestyle needs. The PCT staff found that to solve this problem they needed to work with social services and education services to design new criteria to take into account the holistic needs of the user. If the organisations go ahead with these changes, there are a number of potential beneficial outcomes that can be tracked through indicators such as.

Outcome	Indicator	Measured through
Improved service to wheelchair users	- Reduced numbers of complaints in relation to the service	Customer surveys, PALS complaints
	- Users getting more use out of their wheelchairs, less wastage	Diary records kept by sample of users

There are unlikely to be significant cost savings attached to this outcome, but there is a strong case to be made about getting the best service for the money available.

# Neighbourhood Governance: London Borough of Luton

## Neighbourhood West

### *Description and aims*

The Neighbourhood Governance (NG) in Luton is a pilot programme built on the existing Ward Forum and Area Committee Model, which designed to evolve and extend democratic opportunities and arrangements at Ward and Area Levels. The pilot, called ‘Your Say, Your Way’, is being delivered by the Community Development Service (CDS) within Luton Borough Council.

The Neighbourhood Governance pilot aims to evolve existing Ward and Area governance arrangements through a number of key mechanisms. The programme’s main goals are to: widen and improve democratic involvement and governance through community engagement, empowerment and planning at the level of the neighbourhood ward; build more responsive and joined up area working for Council services and Local Strategic Partnership partners; and strengthen the linkages between local community priorities and strategic planning through the Local Area Agreement and the Sustainable Communities Strategy.

### *Activities of the Project*

The programme team focussed on a number of separate workstreams.

1. Widening community involvement in and influence over local decisions and priorities. This stage included a wide range of governance focussed engagement activities.
2. An Area Neighbourhood Board was established, co-ordinating partnership collaboration and action on local priorities, establishing clear accountability to address them.
3. The communications strategy involved ensuring positive opportunities, progress and outcomes were communicated directly to residents, the wider public, staff and Council members.
4. Enabling learning across all stakeholders to improve knowledge and understanding to deliver project outcomes. For example, prototype Adult Learning courses have been developed to support active citizenship linked to Neighbourhood Governance.

### *Costs and benefits*

<b>Key costs</b>	<b>Key benefits</b>
<p><u>Staff time</u></p> <p>The key cost associated with this project was staff time; these time costs span the Local Strategic Partnership.</p>	<p><u>Levered in funding from additional resources</u></p> <p>This included the Connecting Communities fund and the Accelerated Neighbourhoods fund.</p>
<p><u>Engagement Event Costs</u></p> <p>Included numerous consultation meetings, festivals and a Participatory Budgeting event.</p>	<p><u>Partnership Working</u></p> <p>Cross partner area working groups have been identified and established (young people’s services) or planned (environmental services), and services are beginning to</p>



be more streamlined.

### Publicity and Communications

Other significant costs were publicity for the engagement activities and communications with citizens and stakeholders.

### Branding

Branding was established through consultation – ‘Your Say, Your Way’ which saved the cost of a public relations firm and also created more community ownership over the programme.

### Softer outcomes

- A better fit between the priorities of the community and service planning and commissioning.
- Increased trust and public confidence in the council.
- Satisfaction with the community planning events - three quarters of attendees strongly agreed that they were a good way for local people to influence decisions in their area.

## *Towards Making a Business Case*

### **When taking a long term approach and working with partners**

With a long term approach to engagement you have the opportunity to monitor progress and improvements in the governance structures of the community over time. For example, monitoring the level of representativeness in the sample of people engaged in the programme, or the number of people involved in the programme or wider democratic engagement activities, provides data for a business case.

The costs and benefits involved for all actors participating in the project need to be measured if you are working through a partnership, as there is a joint responsibility for them. Coordinated partnership working can also be critical to saving resources.

### **The value of public trust and satisfaction with service providers**

The business case should highlight trust and satisfaction, with an explanation of how they have been monitored. You could use existing surveys and datasets – the most notable being National Indicator 4 (NI4) which measures how many people feel they can influence decisions in the locality. It is possible to create an internal analysis of the indicator by conducting your own area survey. Research has shown that trust is more likely to occur in those who feel they hold this influence.

Members of the public often have greater confidence and support if they have been involved in effective methods of engagement, resulting in higher satisfaction levels with the delivery of services. This is another key benefit to highlight in your business case, using indicators such as;

<b>Outcome</b>	<b>Indicator</b>	<b>Measured through</b>
<b>Increased Satisfaction and improved reputation</b>	Reduced numbers of complaints in relation to the service	Customer surveys, complaints to service provider
	Satisfaction with engagement process	Snapshot survey data before and after engagement event  Customer surveys throughout engagement process monitoring development

**Streamlining service delivery as a result of engagement**

Uncoordinated functions across the organisation can become more streamlined as a result of the engagement, for example when delivered through a partnership. In Luton, a private sector housing development, a parks initiative, and a Building Schools for the Future programme were all working to targets for open space provision in one ward. Through a community planning event community influence over these three elements removed the likelihood of duplication, creating efficiency savings.

## Norfolk ambition participatory budgeting programme: Norfolk County strategic partnership

### *Description and aims*

The Norfolk County Strategic Partnership (NCSP) undertook a Participatory Budgeting (PB) pilot between August and December 2008. The NCSP agreed to use some of its allocation from the Second Homes Council Tax Revenue to generate £200,000 of small grants money to fund projects through the PB pilot, which was called 'Your Norfolk, Your Decision'.

The focus of the PB pilot was to support the delivery of activity against the Local Area Agreement (LAA) indicators most at risk. The project team agreed that the pilot would have a county wide focus, involve partnerships across the NCSP, and that it should be fair as well as easy to participate in. More strategically the steering group focussed on the possible application and dissemination of projects across the County, projects that tackled a set of Local Area Agreement (LAA) at risk indicators and showed innovation.

### *Activities of the project*

Participatory Budgeting (PB) is a process by which the citizens of an area participate in the allocation of part of the local Council's or other statutory agencies (for example health or police services) available financial resources.

PB involves citizens, councillors and local government officers working together, with the central aim being to include those who are not traditionally engaged in policy decisions. For more information see <http://www.participatorybudgeting.org.uk/about>.

For the 'Your Norfolk, Your Decision' PB pilot, a Steering Group was recruited from a group of individuals already involved in public engagement activities with the council. The Steering Group decided the LAA themes that the Pilot was to focus on, the application form and criteria for short-listing proposals. They drew up a shortlist of sixteen applications for a central Decision Day where the public decided which projects to fund. Applicants presented their proposals to a county wide sample of Norfolk residents who voted on the projects. The public's votes enabled nine projects to be funded spanning the themes of: living and working, health and safer communities.

### *Costs and benefits*

#### **Key costs**

##### Engagement event costs

Included numerous consultation meetings, Festivals and a Participatory Budgeting event.

#### **Key benefits**

##### Improved relationships

Strengthened relationship between the council and the public.

### Main PB engagement event

Decision Day event which catered for 200 people to attend. This cost included venue hire, catering, AV equipment and voting technology as well as transport for participants

### Staff time

Significant costs were incurred for staff time across the NCSP to implement the programme, and also the management and delivery of the steering group meetings.

### Independent consultants

The national Participatory Budgeting Unit played a part in the programme as an independent consultant, facilitating the work of the steering group and advising on the evaluation.

### Sustainable projects commissioned

The Council noted that the projects awarded the small grant funding through the Decision Day were much more responsive and effective at working with and reporting to the council.

### Cohesion and joined up working

New relationships have been built within the community, between participating applicants, steering group members and partners. This has increased cohesion and opportunities for joined up working.

## **Benefits**

One of the more notable achievements from the partnerships perspective was the strengthened relationship between the council and the public. It was also noted by the Council that the projects that were awarded the small grant funding through the Decision Day were much more responsive and effective at working with and reporting to the council. They were also recorded as being more positive and giving more feedback than community groups that were awarded funding in the usual way in Council committees.

### *Towards making a business case*

The project staff told us that the PB programme will continue for a second year, with the same amount of funding, on a county-wide basis. Council officers have developed a toolkit and master class. More projects are being funded and more engagement is being achieved. The success of this programme supports a strong business case for PB.

### **First time at PB**

Implementing an initiative the first time can be expensive. It is important to clarify how costs will reduce as the programme develops and staff develop internal expertise instead of relying on paid-for PB Unit consultants. In Norfolk, consultants will be replaced by previous steering group members who will facilitate future workshops.

### High cost - strong presentation

A tip for making the business case when financial costs may be high is to showcase the benefits. Use examples and quotes from participants from all parts of the process to bring your findings to life. Put engagement in the context of a wider drive towards making the organisation more accountable to the public and make sure the benefits are unmistakable.

For example, in Norfolk, it was the first time that the council's Consultation Officer had received Christmas cards from residents. As they were mainly from the members of the public that contributed to the steering group this must have been linked to the Participatory Budgeting process. A steering group member stated that *'By the end of the [first meeting] we all felt completely involved and valued as participants'*. This is a good example of a narrative story that can be built into the business case to convince decision makers.

Making the most of outcomes is central to this. For example, an 18 year old boy and an 85 year old man sitting next to each other and voting on community priorities at the Decision Day could have a lasting positive impact on intergenerational understanding and community cohesion. Monitoring community networks and dialogue throughout the pre, during and post engagement period allows you to assess increased cohesion across the area, something that can add real strength to the business case.

### Enhanced participation in local decision making

Listed below are examples of the mechanisms by which PB can increase transparency, accountability, understanding and social inclusion in local government affairs.

Outcome	Mechanism	How?
<b>Enhanced participation in local decision making</b>	Steering group	<ol style="list-style-type: none"><li>1. Can take an executive role towards delivery team, enabling shared goals to be created through working in partnership.</li><li>2. The Norfolk PB created an informed and decisive steering group.</li></ol>
	Decision Day	<ol style="list-style-type: none"><li>1. Public has greater engagement with the decisions of the authority, for example the Norfolk County Strategic Partnership.</li><li>2. The public had authority over decisions on projects being delivered to help local people.</li><li>3. Involves local people in decisions on the spending and priorities for a defined public budget.</li></ol>

### Monitoring the success of the community projects

The stability and sustainability of the small grant awarded projects can be assessed and will help build ongoing relationships between the authority and the projects selected for involvement. It is often the case that projects selected through engagement with the public show a greater level of responsibility over the funds allocated to them compared with projects that have no relationship with the public to be accountable to.

## Appendix 8. Worked example of making the business case (theoretical case study)

### Theoretical example: Remodelling an advice centre

*This example is based on Involve's experience of conducting case study research for this publication and from our previous work with local authorities across the country. We wanted to present a practical example to show how to use the tool. We have drawn on our experiences to construct this case study but the places and organisations do not exist.*

#### *About the organisation*

Chalk Valley Adult Advisory Service is a rural advice centre owned and managed by Chase town council. The service sees approximately 40 clients a week and the front of office staff include 2 employment and education advisors (who are more qualified and work on an appointment basis) and 2 referral advisors who deal with drop-in clients on less complex issues. There is also one receptionist and one temporary employment and education advisor from an agency.

#### *About the project*

The service was undergoing a refit and redecoration after a flood ruined most of the reception area. The staff at the service decided to involve clients, staff from the advice centre, job centre colleagues and a representative from the local voluntary sector in the remodelling. They did this through a design and working group with staff and clients, they supplemented this activity through other activities such as a focus group and a survey.

There was a little resistance at first from some sections of the council about the value of this work and the project officers decided that a business case would be needed from the beginning of the activity.

## *1. Scoping*

The advisory service decided to develop a business case during the ongoing evaluation of their engagement process from start to finish.

At this stage the project team agreed the aims of the engagement and what they were setting out to achieve. These were:

- Improved use of the advice centre service
- More cost effective delivery of their service
- Improved partnership working

They wanted to be clear from the outset what they were going to measure, these were:

- The costs of the engagement including staff time spent on the project, communications and materials and event costs
- Whether there has been any improvement in efficiency of the service post the engagement activity
- Whether there has been any improvement in the employment and education outcomes of their clients post engagement activity

## *2. Define the focus and purpose*

Before the engagement took place the team identified the things that were likely to change without the engagement. They decided that all costs and benefits associated with the office refit should not be counted as this would have occurred anyway.

### 3. Decide what to measure

The project team filled in the log frame to identify how they will measure the intended outcomes

Goals/purpose	Possible indicators	Monetary measures	How to get data	Important assumptions
(What are you trying to do?)	(How will you know if you are successful?)	(Can you estimate a monetary value on any of these indicators?)	(How would you actually gather this information?)	(What are you assuming in choosing this measure of success?)
<b>Improved employment outcomes</b>	If we are successful we should see an increase in the number of clients going in to employment or training.	The cost of an individual's unemployment has a monetary value and can be quantified.	The centre collects monthly outcome data.	We will cost the outcome based on its value to the centre (i.e. the amount the centre receives for each successful outcome, rather than the cost of unemployment to society and the state.
<b>More cost effective services</b>	If we are successful we will see reduced claims for overtime by employees and reduced need for agency staff.	This measure will be easily quantified by measuring staff costs before and after the intervention	Time sheets and payroll	We are assuming that there will be a direct correlation between the engagement with staff and users and the efficiency of the service
<b>Improved partnership working</b>	If we are successful we will see increased numbers of successful referrals to the voluntary sector and to training providers	This measure will not be quantifiable although it might have a bearing on the number of clients who enter work and employment	Numbers of referrals to and from the advice centre per month. Staff feedback, client feedback, changes to working culture and environment	We are assuming that there will be a direct correlation between the engagement with staff and users and the improved partnership working. We have no suitable comparator.



#### 4. Complete the checklist and chart

Here is where the project team identified the outcomes of the engagement. They gathered this data through the measures outlined in the table above, through surveys of staff and clients and staff diaries as well as existing datasets.

Issue	Intervention post engagement	Outcome
<p>Clients stated they would prefer the flexibility of dropping in outside their appointment times, but that their advisor was often too busy to see them.</p> <p>The working groups revealed that more of these ad hoc enquiries could be dealt with by the referral advisors.</p>	<p>More training was given to the referral advisors to deal in more depth with the common issues which come up locally. The survey participants identified the five key employment and training aspirations.</p>	<p>The referral advisors can now provide more advice to clients and this frees up the Employment and Education advisors to deal with more complex cases and means that they no longer need temporary staff</p>
<p>The clients reported that the reception area had an unwelcoming atmosphere and that sometimes the receptionist had been preoccupied.</p>	<p>The receptionist was given training in customer service and advised to make clients feel welcome by offering them tea and coffee and making them comfortable. They also installed new seating area in the reception.</p>	<p>A good reaction from clients about the changes to the reception area</p>
<p>Many of the clients were not yet ready for work and came in to the centre to enquire about voluntary work. The local voluntary sector organisation was 10 miles away from the village, and the bus service was irregular. Clients at the focus group complained that often when they arrived at the Volunteering Centre, the opportunity on the website had already been taken and often the staff had no record of a referral from the advice centre.</p>	<p>In response to this the advice centre has now offered the use of one of its desks to a member of staff from the Volunteering Centre once a week. Clients can now get immediate placements on volunteering schemes if they come into the office on a Wednesday.</p>	<p>Increased number of successful referrals to voluntary work</p>
<p>The five clients who were involved in the working groups reported feeling increased confidence and felt their opinions had been listened to.</p>	<p>N/A</p>	<p>Two out of the five now have jobs and the other three are in education or voluntary work</p>

## 5. Analyse results

The project team subtracted all of their costs from the monetary benefits to calculate the value of engagement.

### Costs

Costs	Benefits
Staff time: 7 days management staff at 35,000 per annum plus overheads = £732.95	Money saved on overtime £3,120 per year
7 days of senior staff at 28,000 per annum plus overheads = £590.68	Money saved on temporary staff £30 000 per year
15 days junior staff at 19,000 per annum plus overheads = £858.90	Money saved on bus tickets to the VC £500
Communication materials and design: £2,000	
Travel for clients: £100	
Refreshments: £200	
Extra sofa: £300	
Training: £10 000	
<b>Total costs: £15,515.48</b>	<b>Total benefits: £33, 432</b>
<b>Total value of engagement: £17,916.52</b>	

## 6. Present the business case

The team presented their business case to their colleagues in the council and at a local conference as an example of good practice. They presented both the equation and the non monetary benefits including quotes from participants and stories from the design groups. They also included an analysis of the improved employment outcomes experienced at the centre, gave reasons for why it might be attributable to their engagement, and what other factors might have caused it.