



Cost-benefit analysis of co-production: the case of Balsall Heath, Birmingham UK



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This study

attempts to fill some of the existing gaps in our conceptual and provide empirical knowledge of co-production mechanisms by undertaking quantitative analysis of co-production in a UK neighbourhood famous for its community activism, namely Balsall Heath in Birmingham.





What co-production is about?

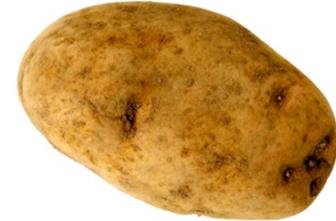
“It takes ‘two’ –
professionals and
communities.”

“Co-production is about professionals and citizens making better use of each other’s assets, resources and contributions to achieve better outcomes or improved efficiency.”

<http://www.govint.org/our-services/co-production/>



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Key co-production approaches: The Four Co's of the Co-production Star





Case study: Balsall Heath

- Balsall Heath in Birmingham is half of one of 40 electoral wards in the city, with 15000 population, over half of whom were not born in UK (mainly Pakistani and Bangladeshi Muslims)
- One of the first 12 pilots for the Department for Communities and Local Government (DCLG) 'Our Place Programme' (previously the Neighbourhood Community Budgeting programme), designed to demonstrate the potential benefits of a neighbourhood-based approach to preventing social problems and providing public services.
- See Governance International case study
<http://www.govint.org/good-practice/case-studies/balsall-heath-forum/>

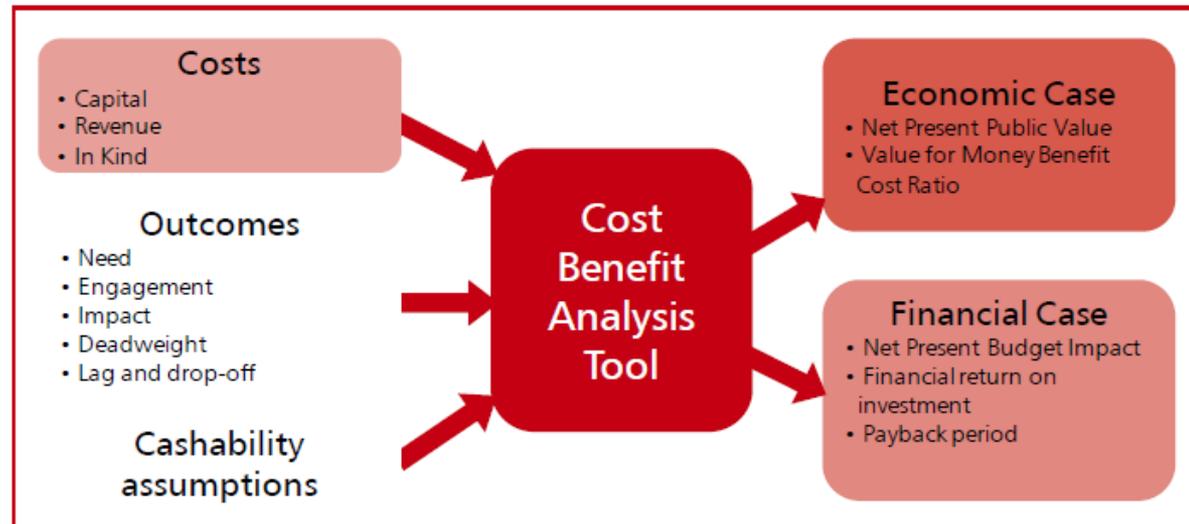


Research design and methodology

- 1) Control group strategy: for six months Balsall Heath Forum would focus its environmental activities on one part of the area and its community safety activities in another (rather larger) part of the area.
- 2) Changes to the inputs of the Forum and the West Midlands Police to be measured during this period
- 3) Marked focus to produce a difference in the quality of environment and in the level of community safety in the two selected areas.
- 4) Resident survey identify if local residents have detected any improvement in local outcomes and to see whether such perceptions made them willing to become more involved themselves in activities to improve the area.
- 5) Stakeholder discussion of survey results and initial findings to explore the implications of the study.

The evaluation approach

Cost-benefit framework
advocated by the Treasury,
Public Sector
Transformation Network
and New Economy



Source: HM Treasury (2014), *Supporting public service transformation: cost benefit analysis guidance for local partnerships*. London: HM Treasury, Public Service Transformation Network and New Economy, p. 29.



Survey respondents

- The survey sample included 196 respondents from the age of 16 to over 70 years, with the majority between 25-59 years.
- On gender, 50% were female and 50% male.
- About 33 percent of the respondents worked full-time and 10% were unemployed.
- On education, 12 percent had only primary school education and no qualification whereas 34 percent had a university degree.
- A large majority of respondents had been residing for 21-40 years in Balsall Heath.

		often	sometim es	never
Take care to lock all doors and windows when you go out	Cold	75	18	8
	Hot	72	24	4
Ask a neighbour to keep an eye on your home when you are away	Cold	38	46	16
	Hot	46	39	15
Keep an eye on your neighbour's home when they are away	Cold	39	49	12
	Hot	50	43	8
Ask advice from police on how to best protect your property	Cold	18	35	48
	Hot	16	38	45
When you or someone in your house is involved in an incident of crime or anti-social behaviour, report it to the police	Cold	34	42	24
	Hot	44	43	13
When you see any community safety issue in the area, which does not directly affect you personally, report it to the police or other public agencies	Cold	32	57	11
	Hot	25	61	13
Personally intervene to stop someone behaving in an anti-social way	Cold	27	52	21
	Hot	21	50	30
Do things in a group/organisation that works to improve safety in your neighbourhood	Cold	25	48	27
	Hot	14	46	40
Sign a petition, write a letter or join a protest about crime or anti-social behaviour in your area	Cold	14	60	26
	Hot	17	46	37
Attend a meeting on tackling crime or anti-social behaviour in your area	Cold	15	66	20
	Hot	10	54	36
Give feedback on the state of crime or anti-social behaviour in your area	Cold	20	51	29
	Hot	17	50	33
Give comments on how public services could better tackle crime or anti-social behaviour in your area	Cold	15	53	33
	Hot	13	45	41

Level of co-production by citizens to improve community safety in the local area



Level of co-production in community safety ‘hot’ and ‘cold’ areas

- There was a tendency – although quite small – for respondents in the community safety ‘hot’ areas to undertake fewer of the specified co-production activities often, particularly those activities involving some kind of group action (what we label as ‘collective co-production’).
- Given that these respondents are living in the neighbourhoods with the worst community safety problems in Balsall Heath, and that previous responses show that residents recognise this, this presents a challenge to local public bodies and the Forum – how to stimulate more positive individual and collective community action to improve safety in the worst neighbourhoods, building on the levels of community safety co-production by residents which is already evident.



Survey results on community safety: levels of current and future volunteering

- The level of volunteering in community safety issues is quite high (about 63% of respondents stated that they spent at least a few hours a year volunteering to improve the safety of their area – with 10% saying they spent a few hrs a week and a further 34% saying they spent at least a few hours a month) and 79% of respondents suggest they are willing to do more.
- More people in ‘hot’ community safety locations volunteered often but more of them than in ‘cold’ locations volunteered for no time at all.



Benefits of Streetwatch patrols

- The 67 Streetwatch patrols in Balsall Heath undertaken from November 2014 to March 2015 (i.e. just over one every two days)
- Most of these patrols lasted two hours but five lasted 3 hours: this would suggest a saving of police time of 139 hours, or £2576 over the 19 weeks (or £7049 per annum).
- If this was projected over a more frequent rota of Streetwatch patrols on the Sparkbrook model, say 350 per year, this would produce savings of police time of £36,823 per annum. This would be one-off a saving which occurs simply in the year in which the Streetwatch patrols take place.



Benefits of current Balsall Heath Forum activities: reductions in crime

- Analysis of the change in crime rates during the experimental period showed that the number of crimes recorded in the Balsall Heath Forum area during this period was 543. The figure for the corresponding period one year earlier was 485, demonstrating an 11.7% increase between the two years (in line with Birmingham as a whole).
- However, the change in the 'hot' community safety area was from 287 to 310, representing only an 8.0% increase over the period.
- Given that the police were also undertaken (some) extra activities in the 'hot' locations in Balsall Heath, not all of this impact can be attributed to the increased activities of BHF – we have illustrated the benefits achieved if BHF activities were responsible for a 2% lower level of increase in crime and ASB.



Economic value of crime reduction achieved

- Using the figures in the Treasury Green Book spreadsheet, 2% fewer crimes in the community safety 'hot' area would represent a fiscal benefit of £22,600 and a total public value benefit of £109,100.
- This is, however, very sensitive to the calculation of how many crimes were reported as a proportion of how many crimes were actually carried out – the Treasury recommend a multiplier of 5 to the number of crimes reported. This seems high for the Balsall Heath area, so we reduced it by half.



Conclusions

- Only some of the benefits of BHF have proven possible to analyse in economic terms but they help to form a picture of the contribution of the Forum to the welfare of residents and to the cost-effectiveness of local public services.
- In addition to the benefits listed previously, we calculated the value of public sector savings from reducing or dealing with fly-tipping, and the value of volunteering to improve the environment (as a proxy for the value of environmental benefits).
- Taking together, the different cost savings and social benefits calculated in the study amount to a total value of **£172802** (equivalent annual value), in our central scenario.
- These enhanced activities were undertaken during the four-and-a-half months of the initiative by just two members of staff – we estimate that they involved no more than one-half of their time, accounting therefore for about **£24,000** annual costs.

This indicates a very positive benefit-cost ratio from Balsall Heath Forum's enhanced activities, even allowing for the underestimate involved in our benefit calculations. Using the estimate of benefits arising from the central scenario, the benefit-cost ratio is over 7 to 1.



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