

Value for Money Assessment

1.1 Value for Money (VfM) calculations assess costs per one unit of benefits achieved (i.e. cost per one pound generated in the economy), net present value of cash flows, and analyses the cost/benefit ratios for all options to compare value.

A robust forecasting model, built on a series of assumptions, has been established in order to quantify the economic benefits and VfM being achieved through Inspire.

1.2 All methods and assumptions are drawn from the following Government publications and guidance documents:

- HM Treasury Green Book (2020);
- MHCLG Appraisal Guide (2016);
- HCA Additionality Guidance (4th Edition);
- GDP deflators at market prices, and money GDP October 2021;
- HACT Social Value Bank; and UK Crime Statistics.

1.3 The assumptions for quantified economic benefits are set out below:

Social Value

1.1 Social value arising from Inspire Youth Zone has been calculated using the HACT Social Value Calculator (v4). The HACT Guidance permits the valuation of social impacts through placing a value on wellbeing. Wellbeing valuation is specified within the HM Treasury's Green Book as a method of placing market value on intangible social impacts.

The quantification of social value at Inspire builds upon the existing work undertaken by AMION Consulting which used a similar approach to quantify the wider impact of Youth Zones in various locations around the UK[1].

1.2 The following outcomes and values[2] have been monetised as part of the social value appraisal for Inspire:

- Go to youth clubs: £2,464
- Improvements in confidence (youth): £9,455
- Frequent moderate exercise: £3,729
- Regular volunteering: £2,562
- Apprenticeships: £1,756

1.3 It is assumed that Inspire will have between 4,000 and 5,000 paying members per annum. Analysis of other Youth Zones suggests that year 1 of operation has the highest level of members before the number stabilises. As such, for the purposes of this assessment a conservative estimate of 4,000 members has been assumed.

1.7 Inspire Youth Zone utilises a Network Salesforce system to monitor 'regular weekly engagement' of paying members across the board. This measure includes young people who attend the Youth Zone at least 10 times over the previous 90 days. This method allows for absences due to holidays and sickness. The metric also requires at least 2 attendances per month within the specified time period. In terms of quantifying social value, only members who achieve 'regular weekly engagement' have been included within the assessment.

- Salesforce data from Youth Zones suggests 19% of members are classified within the 'regular weekly engagement'. As such, 19% of the 4,000 members (which equates to 760 members) have been determined to achieve social value benefits through the 'Go to youth club' outcome.
- Survey data from across Youth Zones report that 77% of members are more self-confident as a result of regularly attending. As such, 77% of the 760 'regular weekly engagement' members (which equates to 585 members) have been determined to achieve social value benefits through the 'Improvements in confidence (youth)' outcome.
- Survey data from Youth Zones report that 18% of members do very little or no exercise whilst regularly attending Youth Zones. As such, 82% of the 760 'regular weekly engagement' members (which equates to 623 members) have been determined to achieve social value benefits through the 'frequent moderate exercise' outcome.
- A conservative approach has been adopted in that the number of volunteers expected to achieve social value benefits through 'regular volunteering' has been assumed to 50 throughout the appraisal period.

1.8 In terms of additional value, the following deadweight values have been applied as per the HACT Social Value Calculator to account for activities that would occur elsewhere in the absence of any intervention:

- Go to youth clubs: 19.0%
- Improvements in confidence: 27.0%
- Frequent moderate exercise: 19.0%
- Regular volunteering: 15.0%
- Apprenticeships: 15.0%

1.9 A leakage rate of 13.5% has been applied in line with HCA Additionality Guide - People and Skills - Sub-regional (mean).

A displacement rate of 17.9% has been applied in line with HCA Additionality Guide - People and Skills - Sub-regional (mean).

1.10 Average residential dwelling price of £101,286 were obtained through ONS datasets of an example Youth Zone. Using Council Tax: stock of properties data, the number of properties within the surrounding area were identified.

The wider LVU calculation was based on a highly conservative 2% annualised growth rate in values and displacement rate of 25%.

Anti-social Behaviour Crime Reduction

1.1 Analysis of Youth Zones in the UK show there is a clear link between our facilities and reduced incidences of anti-social behaviour. Stakeholder consultation, undertaken by AMION Consulting[3], establishes that Youth Zones have had a positive impact in reducing crime and anti-social behaviour in the areas in which they are located and the areas in which the young people live. This has been achieved as a result of engaging young people in positive activities at the Youth Zone, provision of outreach services and transport to the Youth Zone premises. Youth Zones in effect help to remove 'the audience' for other young people intent on causing trouble. They undertake joint work with other agencies to ensure that diversionary activities are put in place to prevent anti-social behaviour at key times of the year (for example, bonfire night, school holidays) as well as sharing data and intelligence. Staff at Inspire engage proactively with the Police and other agencies to address issues as they arise and also represent the young people on an advocacy basis.

To date, the following impacts to the local area have been linked with the Youth Zones:

- **Inspire Youth Zone: 49% reduction in anti-social behaviour since opening**
- Manchester Youth Zone: 51% reduction in anti-social behaviour since opening
- Oldham Youth Zone: 30% reduction in anti-social behaviour and a 40% decline in young people being victims of street crime
- Wigan Youth Zone: 77% reduction in anti-social behaviour incidents in Mesnes Park as Youth Zone staff worked pro-actively with the Police to encourage young people to attend the centre

1.2 Across the sample of Youth Zones, the average decline in anti-social behaviour is 52%. The impact area for ASB generally looks at LSOA's in the local area.

The average economic savings as a result of crime reduction has been obtained from the Greater Manchester Unit Cost Database (£1,175 – 2016/17 prices)[4]. The economic value has been brought into current day prices using the latest GDP Deflators[5] (£1,322 – 2021/22 prices).

1.3 A displacement rate of 75% has been applied to take into account crime reduction that may be displaced from another part of the local authority area.



Labour Supply Impacts

1.1 Inspire provides 35 gross FTE direct jobs

- The VfM assessment only considers the proportion of FTE jobs estimated to be taken up by workforce entrants/re-entrants.

1.2 Given the nature of Inspire Youth Zone and close links with local community, it is assumed that 10% of jobs are taken up by new/re-entrants to the labour market. Some employment opportunities would be expected to go to young people who previously attend the Youth Zone facility.

- GVA per worker has been obtained from the ONS sub-regional productivity statistics[6].

1.3 As per set out in TAG, tax revenues resulting from labour supply impacts can be estimated as 40% of the resultant change in GDP[7].

1.4 Adjustments for leakage (13.5%) and displacement (17.9%) were made in line with the HCA Additionality Guide (4th Edition).

Economic Benefits over a 10 year projection:

Economic Benefits Summary

Social Value - Go to Youth Clubs	£8,081,234
Social Value - Improvements in Confidence (youth)	£21,516,178
Social Value - Frequent Moderate Exercise	£10,027,105
Social Value – Regular Volunteering	£580,011
Social Value - Apprenticeships	£26,342
Wider LVU – Residential	£3,562,420
Anti-social Behaviour Crime Reduction	£1,083,846
Labour Supply Impacts	£382,926
Total	£38,416,933

- 1 <https://www.onsideyouthzones.org//content/uploads/2018/03/OnSide-Defining-the-Impact-of-a-Youth-Zone-Final-with-exec-summary-May-2015.pdf>
- 2 Values have been obtained from the HACT Social Value Bank for 'Outside of London' and for '<25-year-olds'.
- 3 [OnSide Youth Zones – Defining the Impact of a Youth Zone – Final Report, May 2015](#)
- 4 [Greater Manchester Unit Cost Database](#)
- 5 [GDP deflators at market prices, and money GDP October 2021 \(Budget and Spending Review\) - GOV.UK \(www.gov.uk\)](#)
- 6 GVA per worker in Preston 2019 was £47,191. This was adjusted to 2022 prices using GDP Deflators (£51,346).
- 7 TAG unit 2.1 - wider economic impacts appraisal (publishing.service.gov.uk) and AG unit 2.3 - appraisal of employment effects (publishing.service.gov.uk)