

## **Evaluation of Youth Hub services in Leigh Park**

*Report prepared by Dr Alan Leonard and Dr Joe Cox, School of Accounting, Economics and Finance, University of Portsmouth, 2024*

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## Executive Summary

This report evaluates the socio-economic costs of *not* providing youth employability services locally. These services are delivered through Havant's Youth Hub, with pilot projects supported by Link Up Leigh Park.

- The Financial Impact to the participant is calculated using the information collected by the Youth Hub reflecting the income of participants after the intervention.
- The Crime Impact is estimated using a Havant-specific and updated version of the DWP's recommended guidance.
- The Health Impact is estimated using a Havant-specific version of Public Health England's Return on Investment tool.

Results are initially presented as those benefits and costs averted in the first year, with further work showing the cumulative impact over a five year period.

This research is based on 222 participants of the Youth Hub's pilot employability service. The entire cohort entered employment and stopped claiming Universal Credit during the 18 month intervention. More than half of the cohort were in full time employment with average earnings of £19,713. Those in part time employment earned £8,760 on average. The cohort were more likely to have: lower qualifications, SEND, a criminal background, and be care leavers.

### Findings

The total positive impact of the project is £5,836,517 a year, or £26,291 per participant. When extended over a 5 year period, after discounting and allowing for some attrition, the cumulative impact is £25.7 million.

This research finds significant financial impact to the participants. As well as improving their own financial position by £6,324, each person helped into employment is no longer claiming benefits worth £7,895 and putting back £1,202 into the public sector via taxation every year.

There are other benefits of moving into employment: the participant improves their own health (worth £5,412 to the individual) as well as benefiting society by reducing the need for services in response to crime and health concerns. The potential reduction in crime is worth £1.047 million to society: made up in part by £277,000 in averted police and criminal justice costs and £325,000 in stolen/damaged property.

In a typical year, the NHS is more than £246,000 better off, national government £2.3 million better off and local government £97,000 better off.

The economic impact on the local economy of Havant is estimated to be in the region of £2.48 million for the whole cohort, or £11,174 per participant. This comprises the additional income re-spent locally, the potential budget savings of local services and the value of the property stolen and damaged.

Some alternative scenarios are addressed in the sensitivity analysis, but even the worst case and most conservative assumptions calculate a total benefit of at least £4.37 million.

**Table 1: Total benefits and averted costs, by impact**

<b>Total benefit from:</b>	<b>Total benefit and averted cost, One year</b>	<b>Per person, One year</b>	<b>Total benefit and averted cost, 5 years</b>
Financial impact	£ 3,556,909	£ 16,022	£ 15,578,464
Crime impact	£ 1,047,352	£ 4,718	£ 4,562,792
Health impact	£ 1,232,256	£ 5,551	£ 5,568,028
<b>Total impact</b>	<b>£ 5,836,517</b>	<b>£ 26,291</b>	<b>£ 25,709,285</b>

**Table 2: Total benefits and averted costs, by beneficiary**

<b>Benefits accrue to:</b>	<b>Total benefit and averted cost, One year</b>	<b>Per person, One year</b>	<b>Total benefit and averted cost, 5 years</b>
<b>The participant</b> (net gain in income and health improvements)	£ 2,444,411	£ 11,011	£ 10,819,125
<b>National government</b> (increased tax revenue, reduction in Universal Credit payments, averted costs of healthcare and policing)	£ 2,322,211	£ 10,460	£ 10,198,264
<b>The NHS</b> (averted costs of free prescriptions, healthcare provision and crime impact)	£ 246,717	£ 1,111	£ 1,104,576
<b>Local Government</b> (averted costs of Council Tax reductions, healthcare and policing provision)	£ 96,951	£ 437	£ 423,512
<b>Wider society</b> (averted costs of crime)	£ 726,227	£ 3,271	£ 3,163,807
<b>All</b>	<b>£ 5,836,517</b>	<b>£ 26,291</b>	<b>£ 25,709,285</b>

## Background

Leigh Park in Havant came into existence as a post WWII 'utopian' housing estate for returning service personnel and those made homeless in Portsmouth by the blitz.<sup>1</sup> It has grown to accommodate approximately 27,500 people<sup>2</sup> and, at one point, was one of the largest housing estates in Europe.

Leigh Park has areas within the top five percent most deprived in England,<sup>3</sup> and has a high prevalence of health inequalities, smoking related diseases, and a high demand for mental health services.<sup>4</sup> The area has been identified as one of the 'left behind' places, being doubly disadvantaged by facing high deprivation and a lack of social infrastructure.<sup>5</sup> This results in significantly worse social outcomes, such as higher rates of child poverty, unemployment and worse population health compared with other equally deprived areas. However, these statistics mask the sense of community felt by some residents, the local success stories and all of the great work that local government, public sector, schools and charities have achieved.

The local youth employability service being considered is delivered through Havant Borough Council and the Department for Work and Pensions (DWP), with pilot projects supported by Link Up Leigh Park. The DWP funds the Youth Hub, and this is where the intervention is applied. Link Up Leigh Park is a pilot using the Youth Hub that is funded by the Health Foundation Economies for Healthier Lives programme, a systems wide approach to boost health and life outcomes of 16-24 year olds through employment, education and training.

This report aims to quantify the true impact of such a programme by going beyond the mechanistic calculation of jobs created and/or income earned. This assessment considers the life chances, and trajectories, of the participants in this programme to assess the counter-factual situation: in other words, what life events such as crime, health issues, and unemployment would have likely occurred if there was no intervention. The costs of these events to society have been calculated to provide a more accurate estimate of the true value of these interventions in terms of averted costs.

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<sup>1</sup> [The Early Years of the Leigh Park Housing Estate](#)

<sup>2</sup> Participant Insight Interim Report: 18-24 Year Olds, University of Portsmouth Link Up Leigh Park Research Team, August 2023. J. Udella, D. Kaklamanoua, R. Popaa, P. Gorczymskib, M.Thomasa

<sup>3</sup> Health Foundation - funding (2021) [Link up Leigh Park: closing the opportunity, attainment and health gap for young people in Leigh Park Havant Borough Council](#)

<sup>4</sup> The Health Foundation (2021). [Four partnerships chosen to be part of the Health Foundation's programme to reduce local health inequalities through economic development.](#)

<sup>5</sup> ['Left behind' neighbourhoods - Local Trust](#)

### **The brief and aims of this report**

The aim of this report is to evaluate the socio-economic costs of not providing youth employability services locally. These services are delivered through Havant's Youth Hub, with pilot projects supported by Link Up Leigh Park.

- Costing the counter-factual position.
- Providing an overall figure of the averted direct costs, broken down into the immediate and longer-term costs, and broken down into the benefits to:
  - the individual,
  - local authority,
  - wider public services,
  - wider community.
- Every effort is taken to convert all socio economic costs to a monetary figure, however where this is not possible then those costs will still form part of the evaluation.
- Calculation of the wider economic impact over time and across Havant/region and the UK).
- This is not intended as an evaluation of the wider programme of works of the Youth Hub or the Link Up Leigh project. Nor is this a simple Economic Impact Assessment of an employability service.

Following this report, Havant Borough Council will have a bespoke model that can create a more individualised/specific value based on the characteristics of individual participants.

## Method

This report combines data on the characteristics of the participants from the Youth Hub and Havant Borough Council with publicly available national data sources and academic literature on the impact of unemployment and good quality work on life chances.

All participants remain anonymous and have been grouped together by shared characteristics. The findings are weighted by the representation of these group characteristics within the cohort.

First, a profile of the characteristics of the participants helped by the service is created and participants grouped as appropriate.

This report then looks at the three main impacts of employment programmes:

- Financial impact
- Crime impact
- Health impact

For each of the impacts, a similar approach is followed:

1. Calculation of the counterfactual outcomes for those groups if they had not been helped into employment, using publicly available information and academic research to estimate the likelihood of these outcomes.
  2. Attaching a cost to the weighted outcomes.
  3. Separating this cost to the individual participant, local government, NHS, and national government.
- The financial impact is calculated using the information collected by the Youth Hub reflecting the income of participants after the intervention.
  - The crime impact is estimated using a Havant specific and updated version of the DWP's recommended guidance.
  - The health impact is estimated using a Havant-specific version of Public Health England's Return on Investment tool.

Finally, the wider impact (indirect and induced) on the area is calculated.

## Cohort characteristics

### Demographics

This research is based on 222 participants of the Youth Hub’s pilot employability service. The entire cohort entered employment and stopped claiming Universal Credit. Following participation in the scheme, 94% of the cohort reported sustained employment of more than three months.

The project supports more young people, with approximately 45 participants taking a training route, and some who were unsuccessful in gaining employment. However, this sample of participants was deliberately chosen to represent those who had been ‘successful’ in terms of gaining employment and no longer claiming.

The demographics for this cohort are just over a third female, and two thirds male. The average age of participants is 21. The vast majority of the cohort are 18-24 years of age, although a small number (around 2%) are 16 or 17 years of age.

The majority (75%) of participants were from the PO9 area that incorporates Leigh Park. One in five (20%) were from the immediately surrounding areas in Havant, Hayling Island, Waterlooville and Emsworth, and the remainder (5%) were from Petersfield to the North.

Those with no qualifications were twice as heavily represented compared with the national average (6.5%).

At the other end, participants were about half as likely than the national average to hold a degree or higher qualification.

Those with at least college level qualifications represented around 54% of this cohort, compared with an equivalent figure of 68% nationally.

**Table 3: Qualification level**

Qualification level	Participants	Havant	Great Britain
No qualifications	14.0%	NA	6.5%
School (RQF 1) and above	86.0%	92.7%	89.0%
RQF 2 and above	NA	87.6%	86.5%
College (RQF 3) and above	54.1%	56.9%	67.8%
University (RQF 4) and above	9.9%	28.7%	47.3%

Source: Havant & Great Britain: ONS Annual Population Survey, Jan-Dec 2023, % of residents aged 16-64<sup>6</sup>

<sup>6</sup> ONS Annual Population Survey 2023

**Interventions**

Prior to the intervention, all of the participants had been unemployed; 36% for up to six months, 37% for up to a year, and 27.5% had been unemployed for over a year. The importance of the latter statistic is the nature of hysteresis and the persistence of long-term unemployment that underlies some of the assumptions for the counterfactual position.

Most participants engaged in three or fewer interventions. While the average number of interventions was three, some participants required as many as eight interventions.

The majority of the cohort were on ‘employability’ intervention pathways, two-thirds of participants had employability as their sole intervention, while a quarter were combined with ‘health’ interventions. Only one participant was solely on a health intervention, and around 8% who recorded none.

**Table 4: Intervention pathway**

<b>Intervention pathway</b>	<b>Number</b>	<b>%</b>
Employability	148	66.67%
Health	1	0.45%
Both	55	24.77%
None	18	8.11%

**Employment and earnings**

In terms of employment outcomes, more than half were in full time employment, and more than a third were in part time employment as a result of this employability service. For the 9% that report “Not available”, the assumption is that they became self-employed; likely in the construction sector. While there is evidence that these participants are no longer claiming unemployment related benefits, we do not have earnings information for these participants.



**Table 5: Employment type**

Type of employment	Number	%
Full time	123	55.4%
Part time	77	34.7%
Zero hour contract	1	0.5%
Not available	20	9.0%
Blank	1	0.5%

Retail, hospitality and construction were the dominant sectors representing more than half of participants. Care and self-employment were the next two most common, but combined represent only 13% of the cohort.

This pattern is not surprising given the higher representation of the following sectors in the area compared to the regional and national average: construction, electricity and gas supply, manufacturing and retail.<sup>7</sup> Occupation types are also not dissimilar to those found in the ONS Annual Population Survey for Havant, which, compared with the national average, has fewer managerial and professional roles, but twice as many 'Skilled Trade Occupations', as well as a greater proportion of lower skilled occupations.

Those in full time employment had an average pay of £19,713 (£20,309 excluding apprenticeships), with a standard deviation of £4,663 and maximum of £32,163. These figures are equivalent to an average £10.36 per hour (s.d. £2.45), with a range of £4.89-£16.90. If those on apprenticeships were excluded, which were typically at the lower end of the spectrum, then this figure equates to £10.56 per hour.

The average annual pay of part time workers was £8,760 (based on less than half of those in part time work), which is equivalent to an average £10.50 per hour (s.d. £1.73) and a range of £7.40-£17.25 (based on 43 out of a possible 77 responses).

The average hourly pay of participants is clearly still below the average for the local area of £16.55-£16.94 and the national average of £17.49.<sup>8</sup> However these statistics do not compare like-for-like, as participants in this employment programme are significantly different to the total

<sup>7</sup> ONS Business Register and Employment Survey

<sup>8</sup> Earnings by Place of Work and Earning by Place of Residence, ONS Annual Survey of Hours and Earnings.

workforce from which the average pay is calculated. A key difference is that participants are uniquely in the 18-24 range and are therefore unlikely to have as much experience. Furthermore, participants have all recently experienced a recent spell of unemployment, and are more likely to have lower qualification levels. Perhaps a better and more favourable comparison is with the national wage of £7.49 for 18-20 year olds, £10.18 for 21-22 year olds, and £10.42 for 23+ year olds.<sup>9</sup>

**Issues**

The majority of participants had some kind of health issue, with a third reporting having special educational needs or disability. The following analysis attempts to put this in context to the national average or explain what this likely means for the averted costs. These will inform the assumptions made about financial (e.g. Universal Credit payments), crime and health impacts of this programme.

**Table 6: Participants with issues**

<b>Issue:</b>	<b>Health Issue</b>	<b>SEND</b>	<b>Housing Issue</b>	<b>Care Leaver</b>	<b>Criminal Background</b>	<b>Carer</b>
<b>Yes</b>	58.1%	32.9%	17.6%	7.7%	7.2%	5.9%
<b>No</b>	41.9%	67.1%	82.4%	91.9%	92.8%	94.1%

**- Health Issue**

This definition is consistent with the approach taken by the DWP, where a declared health issue requires some proof or evidence. The participant had reported a health condition to their Universal Credit account or discussed a health condition with their work coach

**- SEND**

Participants with SEND are over represented in this cohort at 32.9% of participants, given that only approximately 18% of all pupils have been identified as having SEN.<sup>10</sup>

**- Housing Issue**

This is a self-declared 'housing issue' that does not directly match a specific DWP definition or element of Universal Credit. These issues can range from family issues in the house to those rough sleeping. Participants will be accessing Housing as a service through the council and will be highly likely to sign up to Hampshire Home Choice to be on the council housing waiting list.

<sup>9</sup> [The National Minimum Wage in 2023 - GOV.UK](https://www.gov.uk/government/news/the-national-minimum-wage-in-2023)

<sup>10</sup> [Special Educational Needs: support in England - House of Commons Library.](https://www.parliament.uk/library/research-briefings/crystal-ball-forecasts/2023/special-educational-needs-support-in-england)

- **Care Leavers**

Care leavers are clearly over represented, with 7.7% of participants being care leavers compared to only an estimated England average of 1.4%.<sup>11</sup>

Care leavers aged 19-21 are three times more likely to be NEET<sup>12</sup> and four times more likely to have been convicted of a criminal offence by the age of 24 (52% versus 13%).<sup>13</sup>

- **Criminal Background**

Participants did not have to disclose this information, so this assessment is partially made based on assumptions about the participant. Nationally, over a quarter of working age adults have a criminal conviction, rising to a third of all males (Ministry of Justice).<sup>14</sup> However, at the age of 18, only 2% of males and 0.6% of females have a criminal conviction. These proportions increase with age; by the age of 21 we would expect 4.4% of males and 1.1% of females to have a conviction and by the age of 24, 7.2% and 1.5% respectively.<sup>15</sup> Therefore, given the average age of participants is 21, there is an overrepresentation of those with criminal convictions. The impact of this on employment opportunities is clear, with 50% of employers stating they would not employ someone with a criminal conviction.<sup>16</sup>

- **Care Givers**

Carers are over-represented in this cohort at 5.86% of participants, compared with 4.1% of males, and 5% of females, aged 18-24, recorded in the 2021 Census.<sup>17</sup> Furthermore, the Census notes that these proportions tended to be higher in the most deprived areas.<sup>18</sup>

- **Multiple Issues**

There were no high or obvious correlations between participants having the various issues. The strongest Pearson's correlation coefficient implies a positive relationship between having housing issues and either being a carer (0.14) or being a care leaver (0.18), but even these figures were below the typical threshold used to identify a strong correlation.

Furthermore, the multifaceted nature of these issues means there is not a universal agreement as to whether some factors are causes or effects. There is also a lack of published research on the interrelationship between certain characteristics where they may combine together to exacerbate existing concerns or create entirely new ones.

What is clear is that this cohort of unemployed young people are more likely to be experiencing a greater number of issues than the average person of the same age in the UK.

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<sup>11</sup> 45940 care leavers in England aged 17-21 (House of Commons Library, [Support for care leavers](#)), ONS National Population projections of 3,262,958 17-21 year olds in England.

<sup>12</sup> [Children looked after in England including adoptions, Reporting year 2023 - Explore education statistics](#)  
<sup>13</sup> <https://homeforgood.org.uk/statistics/england>

<sup>14</sup> [The Number of Criminal Record Checks Carried Out in the UK is Increasing](#)

<sup>15</sup> Ministry of Justice (2010) [Conviction histories of Offenders between the ages of 10 and 52](#)

<sup>16</sup> [The Number of Criminal Record Checks Carried Out in the UK is Increasing](#)

<sup>17</sup> 2021 Census - Age-specific percentages of unpaid carers by age and sex, England, 2021

<sup>18</sup> [Unpaid care by age, sex and deprivation, England and Wales: Census 2021](#)

## Theoretical Background

This report calculates the monetary value of the socio-economic impact of moving from unemployment into paid employment. The central argument underpinning this approach is that poverty increases the risk of poor outcomes in life, such as poor health and being involved in crime.<sup>19</sup> These negative outcomes have costs to the individual and to society.

The right sort of work (not low paid and precarious) is often heralded as the route out of poverty.<sup>20</sup> Therefore, an employability programme such as the Link Up Leigh pilot helps avert some of the negative outcomes of poverty and unemployment by helping participants into meaningful high-quality work. It is these averted costs of unemployment and poverty that this report calculates. In particular it will focus on the financial, crime and health impacts.

This section considers the benefits of employment and the costs of unemployment and poverty, touching upon the theoretical background and supporting literature.

There are intrinsic benefits to employment in and of itself. More intangible social benefits of employment include the social aspect, the networks created, the increase in opportunities and exposure to different ways of life and the paths to reach them, the access to ongoing training and the guidance as to what is required.

Jahoda's (1982) Latent Deprivation Theory argues that the positives of being in work go beyond income and include latent psychological benefits and employment functions such as time structure, shared value, social contacts, variety and identity. Money can't buy everything, but it can help individuals address and solve some of their other problems, achieve a better lifestyle, have a better diet, deal with unexpected events and access better medical support, housing and education. These arguments are best represented by Fryer's (1986) Agency Restriction model who also discusses the agency one has to control their life and choices when in employment. Both theories point to the loss of these things, when moving from employment to unemployment, as the cause of the damage to wellbeing and mental health.

### Health impact

There is compelling empirical evidence to support the negative impact of unemployment on the physical and mental health of those unemployed<sup>21</sup> and their families, leading to a range of psychological issues such as depression anxiety, and even suicide.<sup>22</sup>

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<sup>19</sup> Malti, W., & Ngoepe, M. (2021). [Life situations and lived experiences of young people who are not in education, employment, or training in South Africa](#). *Education + Training*. 63(9).

<sup>20</sup> Joseph Rowntree Foundation, (2004). [Routes out of poverty](#)

<sup>21</sup> Catalano et al., 2011; McKee-Ryan, Song, Wanberg and Kinicki, 2005; WhatWorksWellbeing, 2017; Wood and Burchell, 2018; Burchell, 1994; Jahoda, 1981; Jahoda, 1982; McKee-Ryan et al., 2005; Jefferis et al., 2011; McKee-Ryan et al., 2005; Paul and Moser, 2009; Wanberg, 2012; Artazcoz et al., 2004; Paul and Moser, 2009; Waddell and Burton, 2006

<sup>22</sup>Wanberg, C. R. (2012). [The individual experience of unemployment](#). *Annual Review of Psychology*. 63, 369-396.

### Crime impact

There is little empirical evidence that unemployment rates actually cause crime, but the research does indicate a strong negative relationship between income and crime (Machin & Meghir, 2000<sup>23</sup>; Gould et al., 1998<sup>24</sup>; Hansen & Machin, 2002<sup>25</sup>; Doyle et al., 1999<sup>26</sup>; Grogger, 1997<sup>27</sup>). There is clearly a strong link between unemployment and income. In simple terms, as wages increase then the propensity to commit crime reduces. Furthermore, this relationship tends to apply to all (low income) people, regardless of whether or not they were previously offenders. The link between income and crime is more prevalent in acquisitive crime (where there is a financial motive) than violent crime (Levitt, 2004<sup>28</sup>). For completeness, it is worth pointing out that being unemployed is also a risk factor for being a victim of crime, but this is not something this report attempts to quantify.

The costs of unemployment and poverty directly impact the individual, as well as others in their household, their families and communities, with significant impacts on wider society. These costs also act as a barrier for young people to pursue education and manage their health.<sup>29</sup>

This brief literature review informs the modelling of the three overarching impacts that are explored in more detail:

A. *Financial*

B. *Crime*

C. *Health*

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<sup>23</sup> Machin, S. and Meghir, C. (2000). Crime and Economic Incentives. IFS Working Paper 00/17.

<sup>24</sup> Gould, E., Weinberg, B. and Mustard, D. (1998). 'Crime Rates and Local Labor Market Opportunities in the United States: 1979 – 1997'. Review of Economics and Statistics, vol. 84 (1), pp. 45-61.

<sup>25</sup> Hansen, K. and Machin, S. (2002). 'Spatial Crime Patterns and the Introduction of the UK Minimum Wage'. Oxford Bulletin of Economics and Statistics, vol. 64, pp. 677-697.

<sup>26</sup> Doyle, M., Ahmed, E. and Horn, R. (1999). 'The Effects of Labour Markets and Income Inequality on Crime: Evidence from Panel Data'. Southern Economic Journal, vol. 65 (4), pp. 717-738.

<sup>27</sup> Grogger, J. (1997). Market Wages and Youth Crime, NBER Working Paper 5983.

<sup>28</sup> Levitt, S. (2004). 'Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and six that do not'. The Journal of Economic Perspectives, vol. 18 (1), pp. 163-190.

<sup>29</sup> Malti, W., & Ngoepe, M. (2021). [Life situations and lived experiences of young people who are not in education, employment, or training in South Africa](#). Education + Training. 63(9).

**A. Financial Impact**

**Table 7: Financial impact: benefits and averted costs, by beneficiary**

<b>Financial</b>	<b>Total benefit and averted cost, One year</b>	<b>Per person, One year</b>	<b>Total benefit and averted cost, 5 years</b>
<b>Total impact</b>	<b>£ 3,556,909</b>	<b>£ 16,022</b>	<b>£ 15,578,464</b>
The Participant	£ 1,404,031	£ 6,324	£ 6,118,097
National government	£ 2,067,084	£ 9,311	£ 9,086,605
The NHS	£ 18,870	£ 85	£ 82,207
Local Government	£ 66,924	£ 301	£ 291,555

The costs of unemployment, and the benefits of employment, to the individual are well documented. This research attempts to identify where else that burden lies and is lifted when participants gain employment.

**Table 8: Financial impact: benefits to the participant**

<b><i>To the participant</i></b>	<b><i>Total of 222 participants</i></b>	<b><i>Per participant</i></b>
Income from employment	£3,423,709	£15,422
Net Income (after tax) <sup>30</sup>	£3,156,783	£14,220
<b>Net gain in income</b> (after tax, change in Universal Credit, Council Tax and NHS prescriptions reduction)	<b>£1,404,031</b>	<b>£6,324</b>

*Based on individual wage data*

<sup>30</sup> For tax purposes, assumes that all participants are not self-employed, have no pension contributions and their Personal Allowance is £12,570 p.a.

**Table 9: Financial impact: benefits and averted costs, to local and national government and the NHS.**

To local and national government and NHS	Total of 222 participants	Per participant
Tax (income and NI) revenue	£266,926	£1,202
Universal Credit benefit no longer paid <sup>31</sup>	£1,666,958	£7,509
Council Tax reduction no longer applied	£66,924	£302
Free NHS prescriptions etc. no longer applied	£18,870	£85
Reduction in operational costs	£133,200	£600

The standard UC payment of £71.92 per week is based on some simple assumptions: all participants are over 18, not in a couple, claim UC with no additional benefits/uplifts. However, there are many potential exceptions, additions and alterations to the amount of welfare received. For example, while we know how many participants have health conditions affecting work, we do not know the severity. We also do not know the extent of participants' housing costs, carers allowances, or the numbers claiming as a couple and/or who have children. Therefore, some simple assumptions based on average claims and from national statistics have been directly applied to those participants that indicated they were carers, had housing or health issues. Applied to individuals with certain characteristics:

- An additional £48.03 per week for each of the 129 participants that indicated a health issue.<sup>32</sup> This is the midpoint between additional payments for limited capacity for work (LCW) and limited capacity for work-related activities (LCWRA).
- An additional £158.88 per week for each of the 39 participants that indicated a housing issue. This assumes a 1 bedroom property, where rent is between the common £130 per week and the capped amount of £187.85.
- For the 39 participants with housing issues, a Council Tax reduction of £1,716 was also incorporated. This costs the local government £66,924 a year.
- An additional £45.64 per week for each of the 13 participants that indicated they were carers, which is based on the carer's element of Universal Credit.

<sup>31</sup> First year includes remaining UC payments of £24,236 still being made.

<sup>32</sup> This research does not include any personal independence payment (PIP). This information was not available, and as payments continue regardless of UC and incomes there would be no net change in welfare payments.

The number of participants claiming as couples, or with dependent children, is also not known. DWP benefit data is used to calculate the average proportion of 16-24 year olds making this type of claims, with this proportion applied and added to the whole cohort.<sup>33</sup>

- Couples: 5% of participants are assumed to be claiming as couples, gaining an additional £41.41 per week. This equates to £23,968 for the cohort over a year.
- Dependent children: 5% of males and 49% of females (27% of all claims) aged 16-24 are assumed to be claiming for having dependent children. Applying to this cohort, this assumption would result in 45.2 participants having a dependent child, each gaining an additional £66.88 in Universal Credit (based on one child aged 2 years). This equates to additional payments of £157,626 for the cohort over a year.

It is likely that being in receipt of Universal Credit and/or having low incomes may unlock other services for free or at a reduction. The PHE ROI tool uses a proxy of £85 per person for NHS prescriptions, dental treatment and sight tests. This model adopts this NHS prescription estimation, resulting in a cost saving of £18,870 across the cohort.

Other models often include a free school meals element. However, the free school meals element is not adopted here as the estimate is based on an 'average' claimant of working age, whereas this cohort is exclusively 16-24 year olds. While we have estimated that approximately 45 of the 222 cohort will have children, it is unlikely that they will be of age (5+) to receive free school meals.

Overall, it is estimated that £1,682,560 UC was paid to participants prior to them gaining employment and they had access to Council Tax reductions and NHS prescriptions worth £66,924 and £18,870 respectively.

There are additional operational costs of participants on UC, estimated at £600 per person by the DWP. 222 participants moving from UC into employment equates to an operational cost saving of £133,200.<sup>34</sup>

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<sup>33</sup> [https://www.nomisweb.co.uk/sources/dwp\\_5pc](https://www.nomisweb.co.uk/sources/dwp_5pc)

<sup>34</sup> "Operational costs refer to costs related to claims maintenance and adviser interventions, estimated by combining benefit caseload data (DABM) with operational cost estimates." *Public Health England (2017) Movement Into Employment: [Return on Investment Tool: Estimation of benefits from moving an individual from unemployment into sustainable employment](#)*



## B. Crime Impact

**Table 10: Crime impact: benefits and averted costs, by beneficiary**

Crime	Total benefit and averted cost, One year	Per person, One year	Total benefit and averted cost, 5 years
<b>Total impact</b>	<b>£1,047,352</b>	<b>£ 4,718</b>	<b>£ 4,562,792</b>
The participant	£ -	£ -	£ -
National government	£ 253,899	£ 1,144	£ 1,106,110
The NHS	£ 44,262	£ 199	£ 192,826
Local government	£ 22,965	£ 103	£ 100,048
Wider society <sup>35</sup>	£ 726,227	£ 3,271	£ 3,163,807

Findings from the literature cited in the previous section influenced the recommendations to the DWP (Fujiwara, 2010)<sup>36</sup> to include the benefits of a reduction in crime due to reduced unemployment when evaluating employability programmes. For this report, the broad methodology put forward by Fujiwara (2010) has been updated and made more specific to the cohort in this employability programme, as outlined below.

The methodology is based on the following reasoning. Those who are unemployed are responsible for a proportion of crime, particularly acquisitive crime. The costs of these crimes (to victims, services and wider society) have been calculated by the Home Office. Increases in income result in a reduction in acquisitive crime. In particular, for those who are unemployed or on low incomes, every 10% increase in income, the likelihood of an individual committing a crime decreases by 6%.

*The method involves*

- *Step i) Calculating the percentage increase in income.*
- *Step ii) Multiplying this by 0.6 to calculate the likely percentage decrease in crime given the increase in income.*
- *Step iii) Multiplying this by the appropriate cost of crime apportioned per unemployed person.*

<sup>35</sup> Costs of anticipation of crime, property stolen and damaged,, physical and emotional harm to victims, and lost output

<sup>36</sup> Fujiwara D. [The Department for Work and Pensions Social Cost- Benefit Analysis framework](#). DWP Working Paper 86, London: Department for Work and Pensions; 2010.

Step iii) requires the calculation of the cost of crime apportioned to each unemployed person. To calculate this figure, this report updates and tailors Fujiwara’s method<sup>37</sup> in the following ways:

1. Only counts the acquisitive crime<sup>38</sup> from the 2015/2016 Economic and Social Costs of Crime (Home Office), brought up to date using the GDP deflator.
  - *The costs of all acquisitive crime in a typical year is £27 billion (in 2023 prices).*
2. Focusses on the 28% of crime committed by those who are unemployed and looking for work.<sup>39</sup>
  - *28% of these types of crime are committed by those who are unemployed (£7.6 billion).*
3. This figure is further tailored to take account of the different likelihood of committing a crime by gender and by age group.
  - *17-24 year olds are responsible for 40% of crime (£3 billion).*
  - *Males commit 85% of crime (£2.57 billion), and females commit 15% of crime (£0.45 billion).*
4. Dividing this by the number of people the Annual Population Survey identifies as being unemployed and looking for work results in the unit cost of crime per unemployed person.
  - *This is then divided by the number of males (248,800), and females (170,100), aged 16-24 that are unemployed.*

This report finds the average annual cost of crime per unemployed male aged 16-24 is £10,364, and for females it is £2,670.

**Table 11: Annual cost of crime per unemployed person, by age and gender**

<b>Cost of crime apportioned per unemployed person</b>	<b>Male</b>	<b>Female</b>	<b>Average (weighted)</b>
16-24 years	<b>£10,364</b>	<b>£2,670</b>	<b>£7,230</b>
25+ years	£9,374	£1,960	£5,980

<sup>37</sup> Fujiwara (2010) method and assumptions:

1. Only counts the acquisitive crime from the 1999/2000 Economic and Social Costs of Crime (Home Office), brought to date using RPI.
2. 51% of crime was committed by those unemployed (both looking for work and those not, including some economically inactive). *Based on findings of the 2006 Home Office Statistical Report: The Arrestee Survey Annual Report: Oct 2003 – Sept 2004 England and Wales Boreham, Fuller, Hills, and Pudney.*
3. This figure was then further tailored to take account of the different likelihood of committing a crime by gender, and by age group.
4. Divided this by the number of people on any type of working age benefit to reach the unit cost of crime per non-working person. Fujiwara (2010) suggests that for male employment programme participants, aged 17-24, the average annual cost of crime is £7,392 and for females, aged 17-24, it is £1,787. For those aged 25+ the costs are approximately half. Updated to 2023/4 prices using the GDP deflator.

<sup>38</sup> Robbery, domestic burglary, theft of/from vehicle, theft from person, fraud, all commercial except criminal damage

<sup>39</sup> Based on findings of the 2006 Home Office Statistical Report: The Arrestee Survey Annual Report: Oct 2003 – Sept 2004 England and Wales, Boreham, Fuller, Hills & Pudney

Step i)

The detailed income data from the 222 participants allowed us to calculate this for each individual, rather than relying on the average change in income.<sup>40</sup> The income gain was calculated as the difference between the original Universal Credit receipt plus the benefit of Council Tax reduction payments, and the net income after tax and National Insurance from employment.

Of the 222 participants, 25 experienced a reduction in income, 40 had less than a 50% increase in income and 15 had an increase between 50 to 100%, 141 had a more than 100% increase in income, of which 91 had an increase of more than 166%, which the model predicts would result in a 100% decline in crime. Participants that recorded a reduction in income were excluded from the calculation. In those where the proportionate increase in income was so high that it resulted in more than a 100% reduction in crime per participant, the reduction in crime per participant has been capped at 100%.

Step ii)

Overall, these statistics suggest this cohort would reduce their involvement in crime by 56%.

Step iii)

The percentage change in crime calculated for each participant was then weighted by the cost of crime apportioned to their age and gender. This resulted in a total cost of crime averted of £1,047,352 or £4,718 per participant.

**Table 12: Crime impact: total**

<b>Crime impact</b>	<b>Total of 222 participants</b>	<b>Per participant</b>
<b>Total costs of crime averted</b>	<b>£1,047,352</b>	<b>£4,718</b>

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<sup>40</sup> The total original income (from Universal Credit and including the benefit of reductions in Council Tax and free NHS prescriptions) was £1,776,988, or £8,005 per participant.

The total net gain income (after tax, National Insurance, loss of Universal Credit, Council Tax and free NHS prescriptions reduction) was £1,404,031, or £6,324 per participant.

This result in an average 79% increase in income, and therefore an average 47.4% reduction in crime.

However, this average masks the detail (some had income gains above 166%, others had income losses) and does not take account of the large difference in costs of crime by gender.

These costs are apportioned to the relevant service, weighted by the relative costs of the acquisitive crimes included:<sup>41</sup>

**Table 13: Crime impact: averted costs by beneficiary**

<b>Allocation of costs of crime (beneficiary)</b>	<b>Total of 222 participants</b>	<b>Per participant</b>
<b>Total costs</b>	<b>£1,047,352</b>	<b>£4,718</b>
Property stolen or damaged (wider society)	£325,376	£1465
Criminal Justice System (national government)	£208,432	£939
Police costs <sup>42</sup> (local and national government)	£68,200	£307
Health services (NHS)	£44,262	£199
Victim services (local government)	£232	£1
Costs to wider society <sup>43</sup> (wider society)	£400,851	£1806

<sup>41</sup> [The economic and social costs of crime second edition](#), Research Report 99 Matthew Heeks, Sasha Reed, Mariam Tafsiri and Stuart Prince July 2018. Home Office.

<sup>42</sup> Allocated two-thirds to national government and one-third to local government: [Police funding for England and Wales: user guide](#)

<sup>43</sup> These costs of crime averted are shared between the victims and wider society and tend to relate to costs in anticipation of crime, such as burglar alarms and insurance administration costs as well as costs as a consequence of crime.

### C. Health impact

**Table 14: Health impact: benefits and averted costs by beneficiary**

Health	Total benefit and averted cost, One year	Per person, One year	Total benefit and averted cost, 5 years
<b>Total impact</b>	<b>£ 1,232,256</b>	<b>£ 5,551</b>	<b>£ 5,568,028</b>
The participant	£ 1,040,381	£ 4,686	£ 4,701,028
National government	£ 1,228	£ 6	£ 5,549
The NHS	£ 183,585	£ 827	£ 829,542
Local government	£ 7,062	£ 32	£ 31,909

There is clear and overwhelming evidence that unemployment is associated with poor health and increased risk of mortality and morbidity. There is also strong evidence that good quality work can improve people's mental health and wellbeing.<sup>44</sup>

Public Health England have developed a tool to calculate the impact returning to work can have on individuals physical and mental health. Full details on the sources used and methodologies can be found in the original report,<sup>45</sup> this report provides a summary of the key points, and utilises the most relevant aspects for this employability programme.

The tool focuses on changes in mental health in transition from unemployment to employment, taking into account pre-existing conditions. In part, this focus is chosen due to the evidence currently available focussing on the mental, rather than physical, impact of employment.<sup>46</sup>

The tool has two elements, Quality Adjusted Life Years (QALY) per person, and reduction in Common Mental Health Disorders (CMDs)

<sup>44</sup> [Health matters: health and work](#)

<sup>45</sup> *Public Health England (2017) Movement Into Employment: [Return on Investment Tool: Estimation of benefits from moving an individual from unemployment into sustainable employment](#)*

<sup>46</sup> *Public Health England (2017) Movement Into Employment: [Return on Investment Tool: Estimation of benefits from moving an individual from unemployment into sustainable employment](#)*

## 1) Quality Adjusted Life Years (QALYs) Per Person

The potential health benefits of moving from unemployment have been calculated and are expressed as a gain of 0.0675 quality adjusted life years (QALYs).<sup>47</sup>

These figures can be converted into a monetary equivalent using the Department of Health's value of a statistical life. The value of one QALY is expressed in terms of the statistical value of life used by the Department of Health: £80,164.80 in current prices (£60,000 in 2012 figures, updated to 2023/24 prices using GDP deflator).

Therefore, for each additional person brought into employment, the value of the QALY gains to the individual are: £5,412.40.

This figure can then be applied to every participant who moves from unemployment into employment.

For this cohort of 222 participants brought into employment, the total increase in health impact equates to: £1,201,553.

The idea of a QALY may seem quite abstract, particularly when explained as being the value of the improvement in health to the individual. However, this is the figure that NICE guidelines tend to use to assess treatments, so it can be thought of as the amount of money that the NHS would be allowed to spend to improve a person's health to that level. To further put this in context, Fujiwara (2010) estimates that each unemployed person that moves into employment reduces NHS costs by £726 a year (updated to 2023/4 prices), double if they have a disability. Applying this simple calculation to the 222 participants results in NHS cost savings of £161,172. This conservative estimate is used to allocate this value of the QALYs as potential savings to the NHS.

To avoid double-counting the benefit to both the participant and the cost saving to the NHS, £161,172 (£726 per person) has been deducted from the benefit to the participant.

## 2) Reduction in Common Mental Health Disorders (CMDs)

The scheme is assumed to lead to a reduction in people with a common mental health disorder (CMD), including depression, anxiety, phobias, Obsessive Compulsive Disorder (OCD), panic disorder, and anxiety. The calculation of this figure is based on the mental health elements of the survey that underpins the increase in QALYs and is used to assess what proportion of people with CMDs would be pushed over the threshold into a better health outcome (46.6%). The reduced costs of no longer treating these conditions are considered.<sup>48</sup> This approach is applied to the whole cohort, and a proportion are estimated to have pre-existing CMDs.

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<sup>47</sup> based on the work of Schuring et al. (2010)

<sup>48</sup> McCrone, Dhanasiri, Patel, Knapp, Lawton-Smith. [Paying the price: the cost of mental health care in England to 2026](#). King's Fund; 2008.

A change in employment does not have to be full-time to convey these benefits. For example, Kamerāde et al. (2019)<sup>49</sup> find that such benefits arise following a move from unemployment into paid work of eight hours or less a week, reducing the risk of mental health problems by 30% with no discernible additional boosts to wellbeing when working more hours.

The figure used in this analysis is calculated as the proportion of the local population that have CMDs (18.9% in Havant<sup>50</sup>), multiplied by the expected proportion who would be pushed over the threshold to no longer require treatment (46.6%), times the average cost of providing this service (£1,570.30).<sup>51</sup> In other words, approximately 19.5 people no longer require this mental health treatment.

For this cohort of 222 participants brought into employment, the cost savings of health provision resulting from improved CMDs are: £30,703. Across the cohort, this equates to a health cost reduction of £138.30 per participant. These health and social care costs are apportioned:<sup>52</sup> 73% to the NHS £22,413, 23% to local authorities £7,062, and 4% to national government £1,228.

Overall the health benefits of being in work versus being unemployed equates to a private benefit of £1,201,553 for the participants.<sup>53</sup> The overall reduction in public sector costs realised as a result of this health impact is estimated at £138,585 for the NHS, £1228 for national government and £7,062 for local government.

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<sup>49</sup> Kamerāde, Wang, Burchell, Ursula Balderson, Coutts, [A shorter working week for everyone: How much paid work is needed for mental health and well-being?](#), Social Science & Medicine, Volume 241, 2019.

<sup>50</sup> The 18.9% likely to be an underestimate as is for the general population rather than specifically those who are unemployed or on ESA. This is considered as part of the sensitivity analysis.

<sup>51</sup> Based on the Kings Fund Report (2008) - updated to 2023/24 prices using GDP deflator

<sup>52</sup> Based on findings of: *Public Health England (2017) Movement Into Employment: [Return on Investment Tool: Estimation of benefits from moving an individual from unemployment into sustainable employment](#)*

<sup>53</sup> To avoid double-counting the private benefit and resulting NHS costs saving, £161,172 (£726 per person) has been deducted from the benefit to the participant, resulting in the participant's private benefit as being £1,040,381 (£4,686 per person).

### Impact on the local economy

To calculate the impact on the local economy, a multiplier of 1.60 is used.<sup>54</sup> This means that for every extra £100 earned, an additional £60 is spent in the local economy. This is because when the first £100 is earned by the participant roughly £37 is directly spent in the local economy. Of this £37, approximately £14 (37%) is then re-spent in the local economy, and so on. This process only needs to happen three or four times in a year for the multiplier to be effective. This multiplier is considered a reasonable assumption given the characteristics of the cohort and the likely additional costs of moving into employment, such as travel and childcare costs.

The increase in net income<sup>55</sup> that all participants received from employment versus Universal Credit is £1,489,825. Therefore, a multiplier of 1.6 means this will boost the local economy by £2,343,719.

This equates to each participant receiving an extra £6,711 from employment, resulting in a boost to the local economy of £10,737 per participant.

Furthermore, Havant Borough Council will also be directly better off by providing £66,924 less in Council Tax reductions. Other services at a local authority level will also see their demand decrease, equivalent to: £22,965 less police services required, and £7,062 less on health and social care related services

Local residents and businesses will also likely benefit from a large share in the reduction of property stolen and damaged, equivalent to £325,376.

Therefore, the total impact on the local economy is estimated to be in the region of £2.48 million for the whole cohort, or £11,174 per participant.

As long as these participants stay in employment, then these impacts are ongoing every year.

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<sup>54</sup> The benefits to society are provided using local economy average and health specific multipliers, as estimated by the Scottish Government (2016). Scottish Government. Input-Output Classification Table SIC(2007). <http://www.gov.scot/Topics/Statistics/Browse/Economy/Input-Output/Downloads/IOC098-SIC07>.

<sup>55</sup>Note this is the difference between Net Income from employment and the amount previously received for UC. This is not the same as the net gain which takes into account Council Tax reductions and free NHS prescriptions.



**Analysis over 5 years****Table 15: Total impact: analysis by year, 5 years**

Timeline	Year 1	Year 2	Year 3	Year 4	Year 5	<b>Total impact over 5 years</b>
Impact per year	£5,836,517	£5,683,960	£5,460,910	£5,231,965	£5,008,438	<b>£25,709,285</b>

The previous calculations assume that the employment is sustained for at least one complete year. When this analysis is extended to cover a 5 year period, then an attrition rate of 1.5% leaving employment each year is applied, countered by approximately 25% of those in the cohort who are unemployed returning to employment.<sup>56</sup> In practice this means that the number in the cohort who are still in employment reduces to 212.5 by the end of the 5 years.

Figures in future years are presented in current prices and have been discounted at a rate of 3.5% for financial impacts and 1.5% for health impacts, following HM Treasury's Green Book guidelines for discount factors. In other words, future values are worth less than current values.

There were 13 cases where the recorded income of those in part-time employment meant they were still eligible for some UC payments. It is expected that by the end of the project (beginning of year 2), participants will have increased their hours/income as they would no longer be claiming UC. Therefore, for the 5 year analysis, the minimum income of recipients has been increased to £6,800 and the ceasing of all UC payments has been accounted for. This increased the total financial gain by £24,664, apportioned £427.87 to participants and £24,236 to national government.

The total impact of the project over 5 years is equivalent to £25.7 million in current prices, or £115,808 per original participant.

<sup>56</sup> Based on ONS [Labour Force Survey](#) figures

## Assumptions and Sensitivity analysis

Throughout this report, assumptions have been made and this section attempts to address, explain and justify them.

As this report is dealing with the likelihood of events occurring, there is inevitably an element of uncertainty. The report findings address this by presenting an upper and lower bound where appropriate, within which the true value can be expected. Furthermore, sensitivity analysis has been conducted throughout to sense-check the findings and assumptions made.

One of the biggest assumptions is that if this youth employability programme was not run, then the majority of participants would likely be unemployed, or at least underemployed. There are a few compelling arguments that act as strong justification for this assumption, certainly in the short term but also quite likely for a significant number of this cohort in the long term as well. These include the distinctive characteristics and economic landscape in Leigh Park, the well documented link between poverty, lower socioeconomic status and the ability to gain employment, and the cycle of disadvantaged groups not being able to access the experience or training required.<sup>57</sup>

Further, the calculations underpinning this report assumes that all employment opportunities occurred as a result of this intervention. This is a pragmatic and reasonable assumption considering the participant's length of unemployment prior to being signposted to this service, and the evidence so far for the need and impact of this project.<sup>58</sup> However, for completeness, this sensitivity analysis considers the possibility that some may have found the same employment without this scheme. A figure of 25% is reached by considering ONS data that begins with an estimated 31.4% of the relevant age group move from being unemployed in to employment, but takes account of the compounding factors of lower qualifications, length of time unemployed and being in an area with high unemployment.<sup>59,60</sup>

This would reduce the overall impact of the scheme by 25% to £4.37 million, and make the impact per participant approximately £19,718.

Evaluations of employability programmes tend to assume that not all participants were claiming welfare payments and apply national estimates to the take-up of benefits. However, in this case as we have detailed information about the participants and their route to the intervention, then we can strongly assume that all participants were in receipt of benefits.

There is an assumption that work is 'good' quality and employment lasts for at least a year. The evidence supporting this assumption is that there is only one zero-hours contract recorded, 93% of participants reported sustained employment for 3+ months and all participants were no

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<sup>57</sup> Bell, D. N., & Blanchflower, D. G. (2011). Young people and the Great Recession. *Oxford Review of Economic Policy*. 27(2), 241-267. <https://doi.org/10.1093/oxrep/grr011>

<sup>58</sup> Participant Insight Interim Report: 18-24 Year Olds, University of Portsmouth Link Up Leigh Park Research Team, August 2023. J. Udella, D. Kaklamanoua, R. Popaa, P. Gorchynskib, M.Thomasa

<sup>59</sup> Based on ONS [Labour Force Survey](#) figures

<sup>60</sup> [Which groups find it hardest to find a job following a period out of work? - Office for National Statistics](#)

longer claiming UC at the end of the project. Furthermore, the average wage compares favourably to the minimum / living wage. In contrast, some of the sectors participants were disproportionately employed in are often characterised as low paid or insecure. On balance it appears to be a reasonable assumption.

As part of this sensitivity analysis the 7% (n15) of participants who identified themselves as not achieving 'sustained employment' of 3+ months, but were still no longer claiming UC at the end of the project, have been removed from the project. The impact of this was minimal, despite reducing the number of participants by 7% the overall impact on the total value was only -5.38%. It actually increases the average per participant return by 1.47% (£308) because of the relatively low incomes of those being excluded.

This assessment does not include the in-work costs of travel, childcare or lost leisure time. This has not been included as the focus of this research is not on whether the employment opportunity is beneficial for the participant, but rather the benefit to the local community and public finances. As such, any expected additional costs to the individual of taking up employment will be accounted for by the impact on the local economy via the multiplier.

Fujiwara (2010) suggests that for male employment programme participants, aged 17-24, the average annual cost of crime is £7,392 and for females, aged 17-24, it is £1,787.<sup>61</sup> Sensitivity analysis applies these costs, changing the total costs of crime from £1.047m to £0.747m, a 29% reduction.

If this report was to be compared with other projects then it is worth being aware that HM Treasury's Green Book on appraisal and evaluation in central government recommends including a welfare weight on the value of income to the individual. This refers to weighting the value of income received to an individual according to their income, reflecting the theory that any money received by someone with a lower income is worth more to them than the same amount provided to someone with a higher income. For example, for those in the bottom income quintile, the Green Book suggests a weight of approximately two times actual net income.<sup>62</sup>

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<sup>61</sup> Updated to 2023/4 prices using GDP deflator

<sup>62</sup> Treasury HM. [The Green Book: appraisal and evaluation in central government - GOV.UK](#)

## Appendix 1: Data clarifications

There were 222 participants in this programme. All of these participants were no longer claiming Universal Credit (UC) by the end of their interaction with the project. The following calculations assume that this situation (employment and no longer claiming UC) was sustained for at least one complete year. When this analysis is extended to cover a 5 year period, this assumption is relaxed.

The recorded figures are a snapshot of their starting employment hours and wages. Over the (up to) 18 months of the project, participants will have increased their hours/income so they would no longer be claiming UC. As all participants withdrew from UC, they were most likely earning at least £6,800 per annum by the end of the project.

There were 13 cases where the recorded income of those in part-time employment meant they were still eligible for some UC payments (£24,236). The raw figures have been left unaltered for the initial 1 year impact, so the lower employed incomes and enduring UC payments remain. However, this is accounted for in the 5 year analysis.

The majority of participants (93%) recorded 'sustained employment (3+ months)'. For simplicity, the 7% (n15) of participants who did not achieve 'sustained employment' of 3+ months, but were still no longer claiming UC at the end of the project, have been treated equally. However, it is more difficult to confidently say these 15 participants have moved into long term employment, and the anecdotal description is that these are the participants that are likely to come back onto the caseload on a regular basis.

Estimates were made for the 87 participants missing some earnings data. These adjustments had minimal impact on the average pay of the cohort.

- 43 were recorded as part time, but only had wage per hour and not the number of hours worked. The UK average of 16.5 hours a week was used.<sup>63</sup> The average annual wage of these participants equates to £8872. This assumption was comparable with the complete dataset for part time participants; dividing the annual salary by the average £wage per hour (£10.50) gives an average of 16 hours worked.
- No wage information was recorded for 19 full time and 5 part time workers. The average earnings of other participants in the cohort were used.
- 20 participants had no wage information and no recorded employment type of full time or part time. As mentioned previously, the assumption is that they became self-employed, likely in the construction sector, with evidence that these participants are no longer claiming unemployment related benefits. The weighted average income of £15,442, and tax paid were used for these participants.

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<sup>63</sup> [Average actual weekly hours of work for part-time workers \(seasonally adjusted\) - Office for National Statistics](#)

**Appendix 2: Detailed tables, by beneficiary**

**Table 16: Total benefits and averted costs, by impact, to the participant**

To the participant	Total benefit, One year	Per person	Total benefit, Five years.
<b>Financial impact</b> (Net gain in income)	£ 1,404,031	£ 6,324	£ 6,118,097
<b>Crime impact</b>	£ -	£ -	£ -
<b>Health impact</b> (QALY increase)	£ 1,040,381	£ 4,686	£ 4,701,028
<b>Total impact</b>	<b>£ 2,444,411</b>	<b>£ 11,011</b>	<b>£ 10,819,125</b>

**Table 17: Total benefits and averted costs, by impact, to national government**

To national government	Total benefit and averted cost, One year	Per person	Total benefit and averted cost, Five years
<b>Financial impact</b> (Tax, Welfare benefit no longer paid & averted admin costs)	£ 2,067,084	£ 9,311	£ 9,086,605
<b>Crime impact</b>	£ 253,899	£ 1,144	£ 1,106,110
<b>Health impact</b>	£ 1,228	£ 6	£ 5,549
<b>Total impact</b>	<b>£ 2,322,211</b>	<b>£ 10,460</b>	<b>£ 10,198,264</b>

**Table 18: Total benefits and averted costs, by impact, to the NHS**

<b>To the NHS</b>	<b>Averted costs, One year</b>	<b>Per person</b>	<b>Averted costs, Five years</b>
<b>Financial impact</b> (free prescriptions)	£ 18,870	£ 85	£ 82,207
<b>Crime impact</b>	£ 44,262	£ 199	£ 192,826
<b>Health impact</b> (CMDs reduction, share of QALYs)	£ 183,585	£ 827	£ 829,542
<b>Total impact</b>	<b>£ 246,717</b>	<b>£ 1,111</b>	<b>£ 1,104,576</b>

**Table 19: Total benefits and averted costs, by impact, to local government**

<b>To local government</b>	<b>Total benefit and averted cost, One year</b>	<b>Per person</b>	<b>Total benefit and averted cost, Five years</b>
<b>Financial impact</b> (averted costs of council tax reductions)	£ 66,924	£ 301	£ 291,555
<b>Crime impact</b>	£ 22,965	£ 103	£ 100,048
<b>Health impact</b> (CMDs reduction)	£ 7,062	£ 32	£ 31,909
<b>Total impact</b>	<b>£ 96,951</b>	<b>£ 437</b>	<b>£ 423,512</b>

**Table 20: Total benefits and averted costs, by impact, to wider society**

<b>To wider society</b>	<b>Total benefit and averted cost, One year</b>	<b>Per person</b>	<b>Total benefit and averted cost, Five years</b>
<b>Crime impact</b> (Costs of anticipation of crime, property, physical and emotional harm to victims, & lost output)	£ 726,227	£ 3,271	£ 3,163,807

