

What is
Community Empowerment
Worth?



Making the Business Case



Community empowerment has only existed as a defined public service concept for about three years – although it has roots set deep in other areas of community development, involvement, engagement and participation.

There's now growing interest in trying to define a business case for community empowerment – not least because many people working in the field are convinced it should be playing a greater role in tackling contemporary problems, and this would be a good way of demonstrating why. This would not be simply making a more 'business-like case' for empowerment, but specifically relating costs to benefits – a crucial element when allocating resources and demonstrating effectiveness.

The main reason for doing so would be to give community empowerment greater strength to fight its corner in negotiations over resources; a solid business case could help defend or even increase investment. Tougher economic conditions mean empowerment may have to offer proven justification simply to retain the existing time and money spent on it; but by the same token, if it can do that, it may also be able to show that a moderate increase in its resources could save greater sums in much bigger services.

Government and taxpayers naturally want to know what they are getting for their money; whether it is good value compared with the other ways the cash

might have been spent, and what additional benefit they might expect for further outlay (and, although we are focussing on public investment, the argument applies equally to private and charity funding).

Of course, there is another compelling reason for examining the viability of a business case: to provide clearer evidence of effect in order to improve practice. While financially measurable benefits are not the only way to judge success, they would help us to understand which aspects and methods of empowerment lead to which results. That in turn will at least help to avoid ineffective effort, and at best substantially improve the impact.

This is a good point to emphasise that in examining this, we are not setting out to judge the 'worth' of community empowerment solely on its financial value – it is simply the means of comparing the effectiveness of different ways of using public funds. No amount of calculation can settle the question of the fundamental commitment to empowerment.

However, in focussing on the question of a business case for community empowerment, we move beyond merely affirming its importance as 'a good thing'; to establishing whether it is possible to relate investment in it to measurable benefits. To see that we get what we pay for – and identify what exactly that is.

What would it say?

Ideally, a business case for community empowerment would need to establish:

- what it actually is, in terms of its primary outcomes; the empowerment 'itself'
- how it is valued in other fields, such as health, education, policing, planning, employment and how it affects people's satisfaction with these services – its secondary outcomes
- then, in the light of these objectives, what counts as relevant investment and input
- the processes and outputs which they generate
- whether the processes and outputs lead to the intended outcomes
- what value can be placed on these outcomes in financial and other terms
- whether the same outcomes could have been achieved by other means at lower cost
- and finally, what overall value can be placed on the investment in the light of the outcomes compared with other ways the money could have been spent - therefore whether investing in empowerment brings cost savings.

hard to separate out the costs and benefits of the empowerment element – but shows its breadth of importance to other public services.

One reason why there isn't ready evidence for a business case on community empowerment is that it has not generally been sought and collected – even though it may well have been available at the time. There are numerous case studies of community empowerment activities, but it is rare to find a good description of the process which is also linked to costs and benefits and how they affect either public service or public satisfaction. Case studies usually follow a narrow path, starting with the effects of a particular issue on a community and ending with the results of a project involving just a small fraction of the people concerned. There's rarely any reference back to the levels of the problem used in the original diagnosis.

Policing is often an exception to this; for instance, there are several studies showing reductions in crime following community participation in neighbourhood policing. But verifiable evidence of improvements in other services such as health, education or planning is much rarer. All too often there's an assumption that the activity itself implies a result; for instance, that if an interfaith festival attracts 1000 people, it increases cohesion.

This may be partly due to the limited resources available for community empowerment compared with the size of the collective problem. Usually, the aim is to tackle a few of the toughest issues in a deprived neighbourhood in the belief this will spread 'positive ripples' with ever-widening effects. Most initiatives are unable to document this transformation, even if they have contributed to it.

Assembling the Evidence

So...how does something as 'fuzzy' or as difficult to unravel as community empowerment make a hard-nosed case for funding which the accountants and budget coffer key-holders can understand?

The answer is, of course, with difficulty. A major part of the challenge of constructing a possible business case is in deciding what actually counts as community empowerment. We won't get into the ongoing debate on definition; suffice it to say that most empowerment activities are about other issues as well, whether that be planning, health, housing management or whatever. That makes it

That said, a number of agencies have carried out useful experiments addressing the cost effectiveness of empowerment programmes and projects – although it has been haphazard and infrequent, and so far there is no established model in place for doing so (see following case studies).

However – work is underway to rectify that. In particular, a national 'Network of Empowering Authorities' is researching 'building the evidence and business case for community empowerment'. This includes projects that will review existing guidance on developing a business case, develop a test-model of a community empowerment business case and identify the consequences of 'not' empowering communities.



Employment

One of the main difficulties of accounting empowerment is the way it is intertwined with other issues. At the same time, this is one of the reasons for its significance. There are areas where empowerment is evidently becoming more important, but which have so far not been properly joined up with it.

To take one particular and pressing example - employment; can empowerment contribute to getting jobs?

This is a critically important question, as there is pressure on government to spend as much as it can on job creation - particularly in the middle of a recession driving rising unemployment. This can divert resources that might otherwise be used for empowerment, on the grounds that employment is more urgent and a more direct means of overcoming poverty. This was clearly the reasoning behind the replacement of Neighbourhood Renewal (NR) by the Working Neighbourhoods Fund (WNF) in 2008. NR was one of the main resources for empowerment - although a number of local authorities and partnerships have used the flexibility in the WNF scheme to ensure some continuing balance between job creation and empowerment across a range of issues including housing, safety, community development, health, education and transport.

The case for job creation looks at first sight much more cost effective than empowerment and neighbourhood renewal because of the money it saves in public benefits. A report on the first decade of the Welfare to Work programme estimated that the public purse saves on average £9,000 when a person moves from incapacity benefits into work, over £8,000 for those moving off Jobseeker's allowance and £4,400 for lone parents coming off Income Support.

However, it is by no means clear that job creation schemes, which expensively help a small number of those in need, overcome worklessness better than community empowerment, which can improve conditions for a whole neighbourhood economically.

Given the inevitable policy emphasis on employment, empowerment strategies should extend their links with this issue, and this should be built into the business case framework. A wide range of community groups could be urged to link job creation into their other objectives. Some jobs are a gain both for the individual and the area; it should be possible to show that jobs created through local community groups have a triple value because in addition to the value for the individual the activities create improvement for the neighbourhood and can also multiply volunteering.



Value for ?

So long as money is a means of exchange, it remains important to know how much things cost when paid for. Money is a limited resource and its use has to be justified by expected results. The problem in public decision-making arises from the assumption that reducing public expenditure or spending money to make money are necessarily better returns on investment than spending money to achieve wellbeing or save the environment.

Wellbeing indicators are ways of showing that you can measure things in other ways than money. In this respect, the national indicators now built into the local government performance framework assessing levels of influence, cohesion, volunteering and thriving third sector are already 'alternative' measures.

Longstanding measures of health, education, employment and so on are also 'alternative' in that these are regarded as social goods in themselves, not only because they save money. The problem therefore is not with a lack of alternative indicators, but with the relationship between indicators of intrinsic value and the cost of publicly funded activity.

Current economic thinking separates the two spheres of 'wealth creation' and human welfare into two largely mutually uncomprehending blocs;

the 'private' sector, whose job is to generate money, and the 'public' sector, whose job is to spend it on human welfare. Each bloc functions within its own culture, so the private sector does not deduct human welfare costs from the way it operates, and the public sector does not add in financial gains from the way it operates.

Developing a business case for empowerment will require the understanding that there are two parallel and interacting economies, both necessary to life-support. One is based on cash, trade and jobs, the other on mutual aid, local conditions and social capital. Each has its own valid way of counting value, which must ultimately be reconciled with the other so that the overall net costs and benefits can become visible.



Value in Gloucester

A particularly high incidence of diabetes was discovered in the 'Community Counts' neighbourhood management area in Gloucester. As a result, a Diabetes Specialist Nurse post was created, applying a community development approach to improving access to care and treatment, particularly for the local BME population. This included supporting GP practices with additional clinics and running diabetes awareness sessions with voluntary and community sector groups. Through a diabetes support group patients were helped to manage their care more effectively, to reduce the need for further medical intervention.

The nursing post was funded for two years by Community Counts and subsequently taken on by the Primary Care Trust as an extra service for the neighbourhood.

Assessing the original impact of the nursing role was a difficult task, as no baseline measurements existed. However, one of the principal aims was to prevent unnecessary visits to hospital – so it was possible to calculate a financial benefit in terms of savings to the health service.

Community Counts gathered information on the number of appointments and follow-up referrals and the costs that would have been incurred had the patients gone to hospital; £200 for each initial appointment and £94 for the follow-ups.

In total, savings of £13,072 were made in year one, and £37,012 in the second year. The Diabetes Specialist Nurse post cost £38,000 across that time, so it more than paid its way.



Value in Barnsley

In 2008, the 'Kendray Initiative' neighbourhood management pathfinder in Barnsley set out to establish a 'cost-benefit equation' to help weigh costs against the returns from neighbourhood management.

It sought data to illustrate possible gains achieved through the work of the partnership – and came up with some interesting figures.

In 2008/09, the core costs of the Kendray Initiative were £180,000, with a project budget of £170,000 - £350,000 in total.

A massive reduction in the number of empty houses in the area was valued at £260,000 a year. The pathfinder played a major role in encouraging residents to get involved in the development of the council housing plan responsible. This was assessed at 15 per cent of the gain – and so valued at £40,000 a year.

Lower crime levels – particularly far fewer robberies - have reduced police costs in the area; an estimated annual saving of £44,000.

The Neighbourhood Management team used its good relationship with the community to act as intermediary between contractors building a new Academy in the area and local residents to win agreement on evening work. This achieved a one-off saving of £40,000 in building costs.

These three elements were relatively easy to quantify. However, there were also other savings to which the Initiative had contributed but were more difficult to put a figure on. These included the increased value of housing locally, a reduction in youth offending and the number of young people not in employment, education or training, savings in service delivery, greater trust between residents and the council – cutting staff time dealing with complaints – and less fly-tipping and graffiti.



Conclusion

This pamphlet merely skims across a few of the factors involved with developing a business case. The whole issue is examined comprehensively in 'Valuing Community Empowerment: Making the business case' by Gabriel Chanan - from which most of the foregoing is derived.

As he points out, the fundamental question about a business case is whether government, on behalf of society as a whole, should be investing in empowerment at all or whether it is best left to the people. In an ideal world, that might be so – but in a society as complex as ours, unless people can influence public agencies they cannot control the immediate conditions they live in. Therefore it can be strongly argued that the government should help people to exert that influence.

If that requires significant investment, the demand for a business case must also be faced. And in taking this forward, other avenues to explore might include:

- Examining whether a business case can be applied retrospectively to existing empowerment programmes
- Designing new programmes on a business case model
- Examining how an empowerment business case might be used in the context of regeneration
- Examining how evaluation methods could be better aligned with making a business case

- Exploring a business case for linking empowerment and employment
- Examining the relationship between empowering communities and empowering the frontline workforce to make efficiency savings
- Examining the implications of alternative economic paradigms for the empowerment business case.

There may be particular additional lessons to be learned by taking a regional approach, and the South West is well placed to build on this momentum, through the Regional Empowerment Partnership and the Regional Improvement and Efficiency Partnership.

This could involve the formation of a 'club' of interested South West local authorities (and possibly other stakeholders) to provide a test-bed for the emerging ideas both from this region and elsewhere. The club could propose an 'associate' arrangement with the NEA hub, offering additional experience - especially a regional perspective.

Such an initiative could support and encourage the transfer of innovation, learning and effective practice in this area; support a number of sub-regional case studies that reflect the impact of community empowerment in terms both of business and national indicator outcomes; and in due course run events for policy-makers, managers and front-line workers to pass on what has been learned.

The material contained in this pamphlet is largely drawn from 'Valuing Community Empowerment: making the business case', by Gabriel Chanan, available at: <http://www.creatingexcellence.org.uk/mod-Downloads-index-req-viewdownloadaddetails-lid-315.html>

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