

Costs of the Well London programme

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This article discusses the methods and findings of a study to estimate the unit costs of a programme to promote health and wellbeing in deprived neighbourhoods of London. In view of the policy emphasis on primary prevention of ill health and promotion of wellbeing, it is as important to understand the costs and outcomes of public health initiatives as those of health and social care services. Investigating the costs of public health initiatives, however, can present challenges.

The Well London programme aimed to improve health and wellbeing, reduce inequalities and build resilience in disadvantaged communities in London through an asset-based community development and co-production approach. Its vision was 'empowered local communities, who have the skills and confidence to take control of and improve their individual and collective health and wellbeing'. This resonates with the philosophy of asset-based approaches to make best use of the health assets or health and social capital of individuals, communities and society.

The background to and description of the Well London programme is presented in Tobi et al. (2015). Phase Two, in 2012 to 2015, involved eleven disadvantaged neighbourhoods in nine London boroughs. Each area had a local steering/strategy group and a local coordinator to link and integrate local activities. A key part of Well London was local community, patient and stakeholder engagement to co-produce the local programme of activities. Some of the activities addressed specific health outcomes, for example through promoting exercise or healthy diet. Others encouraged participation, volunteering, capacity-building, community networks and community cohesion.

The Wellcome Trust commissioned the Institute for Human Health and Development (IHHD) at the University of East London (UEL) to conduct an evaluation of phase 1, and this was extended to include the health economics component in phase 2. Tobi et al. (2015) explain the aims and methods of the evaluation, and present and discuss the results, focusing on participant outcomes in phase 2. Almost 19,000 people participated in Well London across all the neighbourhoods, representing almost triple the target number: 69 per cent were female, 44 per cent were aged under sixteen and 32 per cent were white. Of those who completed surveys, 82 per cent reported increased levels of physical activities, 60 per cent increased levels of volunteering and 54 per cent improved mental wellbeing. The programme exceeded its targets on these and the other agreed outcome indicators.

UEL commissioned the Centre for Health Service Economics and Organisation (CHSEO), University of Oxford, to estimate the costs of phase 2 of the Well London programme and investigate the relationship between its costs and benefits. The aims of the CHSEO study were, first, to estimate the costs to public funds of the Well London programme phase 2 as far as was feasible from available data. Secondly, they were to consider and, where feasible, attempt to quantify in broad terms the costs to society of the Well London programme phase 2, to include data permitting the opportunity costs of volunteers' input to phase 2 projects. This study was linked to the overall UEL evaluation of the Well London programme, and was conducted with close collaboration between UEL and CHSEO.

The Well London programme was designed to make best use of health assets in the participating localities to promote population health and wellbeing. It involved community engagement events where local populations decided what projects to run, widespread engagement of volunteers from the local population, and use of local physical assets such as NHS buildings.

The resources devoted to the programme can be seen as an investment to improve public health and wellbeing. As such, they can be regarded as producing a social return on investment. In particular, the volunteers who played a crucial role in running the local projects were generally also participants in those projects. While they incurred costs in terms of their time, which they could have devoted to other activities, they also reaped benefits in terms of their own wellbeing and may have gained skills valuable for current or future employment.

Data and methods

The purpose of estimating the overall costs of the Well London programme phase 2 was mainly so that the benefits in terms of outcomes for participants could be compared with the costs of achieving those benefits. This meant that, as in any economic appraisal, it was important that the estimate should relate to the full opportunity costs, preferably from a societal perspective as well as from a public sector perspective. It should include the costs of all activities that contributed to the achievement of the benefits but exclude the costs of any activities that were not essential for achieving the benefits.

Our general approach was to equate the opportunity costs with the sum of: the Big Lottery grant which was the major source of funding for the Well London programme; matched funding and other grants provided to local areas; the value of support in kind for areas and projects; and the opportunity costs of volunteer inputs. Data on these was derived from two sources. The first was the Greater London Authority (GLA) budget and accounts for the Big Lottery grant of £1.8 million. The second was data provided by Well London areas and local projects in response to a questionnaire we administered. This collected data on grants from sources other than the Big Lottery, support in kind from local councils and other agencies, and input by unpaid volunteers.

The GLA provided data on the distribution between programmes and areas of costs met from the Big Lottery grant. The GLA did not, however, hold information on support in kind for areas and projects, such as staff or premises lent by councils, or on the input of volunteers. The research team therefore developed questionnaires to collect information on matched funding and other grants from local agencies, support in kind and input by volunteers. These comprised two questionnaires: one for use by area coordinators for support and input at area level, and the other to be completed by individual projects for support and input at project level. The development of these questionnaires was greatly assisted by advice from several of the area coordinators and from the Well London Evaluation Steering Group. The Group also commented on the method for imputing an opportunity cost to volunteer time, and methods for bringing together costs and benefits.

Six out of the 11 areas and 42 of the 262 local projects submitted completed questionnaires: response rates of 55 per cent and 16 per cent respectively. For areas and projects which did not respond to the questionnaires, we used averages from those which did submit completed questionnaires.

The costs for each area comprise: all grants to the area and its local projects; an allowance of 10 per cent for administrative overheads; apportioned centrally incurred costs on training etc; the estimated value of support in kind to the area and its local projects; and the estimated opportunity costs of volunteers working for the area and its local projects.

Data on matched funding and local grants was sourced from the questionnaires for areas which completed them. For areas which did not complete them, we assumed a grant of £5,000 (pro rata for areas operating for less than two years). Data on the estimated value of support in kind was similarly taken from the questionnaires for areas which completed them. For other areas we assumed £20,000 over two years. Data on hours of volunteer inputs was sourced from the questionnaires for areas which completed them. For other areas we assumed 15 hours volunteer input per week at area level. Volunteer hours have been costed at the current national minimum wage.

Results

The total estimated cost of Well London phase 2 over the two-year data collection period, 2013-15, was £2.0 million excluding the opportunity cost of input by volunteers, or £2.6 million including this input. A breakdown of these costs by type of cost and source of funding is shown in Table 1. These estimates were produced by summing costs by area across the 11 areas.

Table 1: Summary of costs/sources of funding

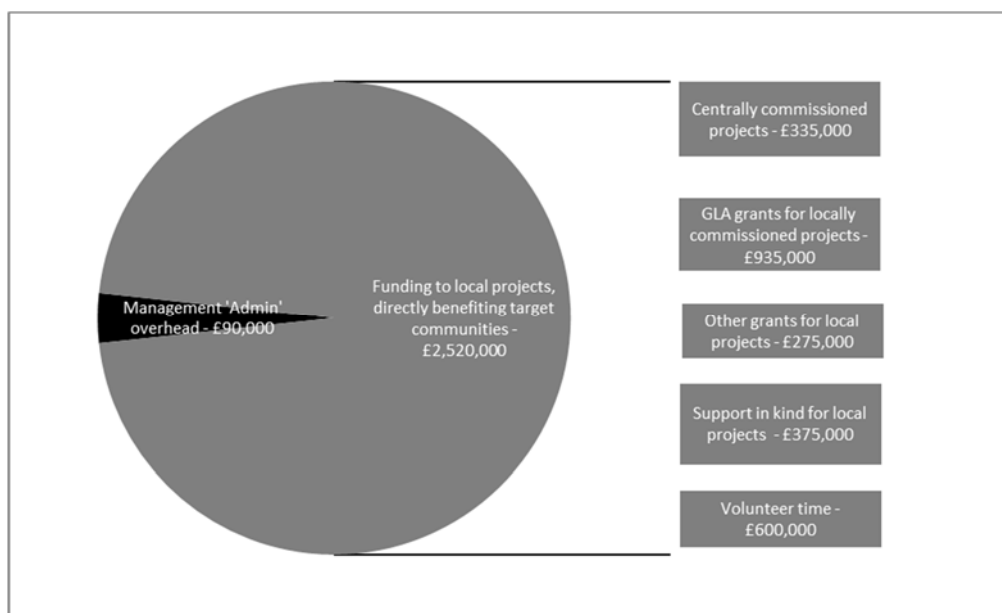
	Source	Amount
Admin overhead	Big Lottery	£90,000
Central Commissioning	Big Lottery	£335,000
GLA grants	Big Lottery	£935,000
Other grants	Councils etc.	£275,000
Support in kind	Councils etc.	£375,000
Volunteers	Volunteers	£600,000
Total		£2,600,000

The Big Lottery monies provided to each area varied between £109,350 and £42,750 and totalled £935,255, slightly over half the total Big Lottery grant of £1.8 million. The rest of the Big Lottery grant was spent on costs incurred centrally (including training for communities, which was commissioned centrally from a range of organisations), GLA administration of the grant, the Well London website, the phase 2 evaluation by UEL, and the legacy programme run by UEL.

Since the objective was to produce an estimate of those costs which could be regarded as the opportunity costs of achieving the outcomes, certain expenditures were excluded. These amounted to slightly over £600,000 and comprised central administration costs incurred by the GLA, website costs, the costs of the evaluation and most of the legacy costs. The only legacy costs included were those relating to coordination. Instead of including the administration costs incurred by the GLA, we included an allowance for administration costs estimated as 10 per cent of the expenditure from grants incurred in each area. The purpose of the adjustments was to exclude costs that would not need to be incurred in any replication of Well London since the activity they funded was not critical to achieving the outcomes.

The centrally incurred costs, for example costs of coordination and training, were apportioned to areas pro rata to their grants. These amounted to almost £335,000. The assumed administration costs amounted to slightly over £90,000. A total of £425,000 of the Big Lottery grant monies was thus apportioned between areas pro rata to their grants. Figure 1 shows the relationship between *Management 'Admin' costs* and the breakdown of *Funding allocated to local projects which directly benefited the target communities*.

Figure 1



The information provided by the local projects which completed the questionnaire showed that per £100,000 Big Lottery grant they leveraged and received on average: £5,800 in match funding, £4,200 in other grants, £13,800 support in kind and £46,800 input from volunteers. These ratios have been used to estimate the amounts received for each of these types of inputs for all 262 projects collectively.

Table 2: Estimated inputs from sources other than Big Lottery

Input	Areas	Projects	Total
Grants other than BL	£179,000	£94,000	£273,000
Support in kind	£236,000	£137,000	£373,000
Volunteers' input	£125,000	£454,000	£579,000
Total	£540,000	£685,000	£1,225,000

On this basis, the overall value of grants, including matched funding, from sources other than the Big Lottery was around £275,000, most of which went to areas (Table 3). The estimated value of support in kind for Well London was around £375,000, most of which also went to areas. The estimated opportunity cost of volunteer inputs, valued at the national minimum wage, was around £600,000, most of which went to local projects.

The UEL evaluation found that across the 262 local projects there were some 18,265 individual attendances and 18,680 participants.¹ The average total opportunity cost was around £10,000 per project or £140 per attendance when the opportunity costs of volunteer time are included, or around £7,700 per project or £110 per attendance when they are excluded. These costs varied considerably between areas, as shown in Table 3 in which the average costs include the costs of volunteer time.

Table 3: Average opportunity cost per project and per attendance

Area	No. of projects	No. of attendance	Average cost per project	Average cost per attendance
Neighbourhood A	21	1,236	£8,800.00	£150.00
Neighbourhood B	33	2,087	£12,000.00	£190.00
Neighbourhood C	28	4,746	£9,000.00	£50.00
Neighbourhood D	36	1,689	£6,300.00	£130.00
Neighbourhood E	33	3,491	£6,600.00	£60.00
Neighbourhood F	20	882	£11,700.00	£270.00
Neighbourhood G	26	1,289	£10,100.00	£200.00
Neighbourhood H	18	836	£13,500.00	£290.00
Neighbourhood I	13	469	£13,100.00	£360.00
Neighbourhood J	29	734	£9,200.00	£360.00
Neighbourhood K ²	5	766		
Total for Well London	262	18,225	£9,900.00	£140.00

¹ The number of individual participants was derived by adjusting the number of attendances to account for under-reporting and multiple attendances by the same participant.

² An average cost per attendance is not presented for Neighbourhood K since the area joined phase 2 late in 2014 and is not included in the fidelity ranking.

The UEL evaluation produced fidelity scores and rankings for each area. This is important in the context of the evaluation since areas which did not keep so closely to the Well London protocol are less relevant for assessing the costs and outcomes of the approach under evaluation. The fidelity criteria comprised a mix of quantitative and qualitative criteria against which each neighbourhood was scored. The scores were turned into rankings which were in turn dichotomised into low fidelity and high fidelity areas. The high fidelity areas, as assessed on the basis of the criteria, were Neighbourhoods A, C, D, E and H.

The evaluation found that the higher fidelity areas generally achieved better outcomes, as discussed in Tobi et al. (2015). Two of the high fidelity areas (C and E) had the two lowest cost per attendance and below-average cost per project. Two of them (A and D) had an average cost per attendance but below-average cost per project. Neighbourhood H, however, had a high cost per attendance and cost per project.

Conclusion

The total estimated costs of Well London phase 2 over its two-year duration was £2.0 million excluding the opportunity cost of input by volunteers or £2.6 million including this input. The average cost was around £7,700 per project and £110 per attendance excluding the opportunity cost of input by volunteers, or around £9,900 per project and £140 per attendance including this input. These estimates should be treated with some caution since it proved difficult to collect data on volunteer inputs and support in kind for local projects and areas.

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References

Tobi, P., Tong J. & Farr R. (2015) *Well London Phase 2 Evaluation: Participant Outcomes*, Institute for Health and Human Development, University of East London.