



Exploring the Economic Impact Of MAC-UK's Music & Change Project in Camden

A Pro Bono Economics Report

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About Pro Bono Economics

Pro Bono Economics (PBE) helps charities and social enterprises understand and improve the impact and value of their work. Set up in 2009 by Martin Brookes (Tomorrow's People) and Andy Haldane (Bank of England), PBE matches professional economists who want to use their skills to volunteer with charities.

PBE has over 500 economists on its books and has helped over 300 charities large and small, covering a wide range of issues including education, employment, mental health and complex needs.

PBE is a charity and is supported by high-profile economists, including Andy Haldane (Bank of England) and Dave Ramsden (HM Treasury) as trustees, and Kate Barker, Lord Jim O'Neill, Robert Peston, Martin Wolf and Lord Adair Turner as patrons. Lord Gus O'Donnell joined the Board of Trustees as Chair in September 2016.

About MAC-UK

MAC-UK was founded in 2008 by Clinical Psychologist, Dr. Charlie Howard (formerly Alcock) after she reached out to build a relationship with a group of young people who found themselves involved in gang related activity. The co-founder of MAC-UK's first ever project, 'Music and Change' was Mark Moubarak Chentite. Mark has since been working for the charity and has played a key co-founder role for many of MAC-UK's successful peer-led interventions, including Mini MAC and PAE.

Charlie wanted to use a youth-led approach to make mental health accessible to excluded young people within their own community. Her aim was to work with young people to find new answers to the complex problem of youth offending.

MAC-UK is now recognised at a local and national level. Charlie, now our founding director, has worked as an independent advisor to the Home Office's Ending Gang and Youth Violence Team and our approach is written into several local authority Serious Youth Violence strategies. Our clinical psychologists, alongside young people, teach on clinical psychology doctoral training courses at UEL, Plymouth, UCL, Oxford and Salomons.

We believe that by putting mental health at the heart of solutions, we can find new answers to the complex problem of youth offending.

Foreword

Pro Bono Economics has produced a report for MAC-UK, exploring the economic impact of their Music & Change project in Camden. The report takes the format of a Data Advice Report, containing an analysis of the available cost and activity data; this analysis should help explain the required outcomes for Music & Change to provide a positive economic impact or good value for money. The purpose of the report is to help MAC-UK understand the true costs of their programme and establish the outcomes which justify investment.

The report was carried out by Emily Hutchison of the Care Quality Commission and George Agathangelou of Ernst and Young; we would like to offer our thanks to both individuals for the time and effort they dedicated to the project.

At MAC-UK, we work to make mental health services accessible to excluded young people, primarily through leisure activities and support with stability. We aim to reduce serious youth violence and reoffending, engage young people in training, education and employment and help them to connect with existing services. Our multi-disciplinary team does well in combining staff with clinical expertise and staff with community insight in order to effectively engage with the most hard to reach young people in London. Serious youth violence costs society £4 billion a year, but the young people behind this figure are often the most deprived in society, facing complex issues such as homelessness, neglect and abuse. We use our radical approaches, such as “Streetherapy,” to remove the barrier between disadvantaged young people and the services they desperately need. The Music and Change model aims to provide holistic support to young people to improve their wellbeing, and if we can justify the project economically we may be able to provide better support to more people who need it.

This report drew on an evaluation of the project by the Centre of Mental Health which presented a wide range of qualitative evidence showed that the project reached the right people. The studied group in the Centre for Mental Health evaluation report showed a marked reduction in the likelihood of being not in education, employment or training (NEET) following engagement with the project.

These findings are an excellent result for MAC-UK, showing the benefits and impact of their work. Additionally, the report also provides information on collecting more data and evaluating similar projects, thereby aiding MAC-UK in carrying out further studies to more closely examine the justification of expenditure.

Mark Chentite (Former Project Lead Positive Adolescent Engagement / INTEGRATE Practitioner)

Executive summary

- Music & Change was the founding project of MAC-UK. It operated in Camden between 2008 and 2015. It was the project through which the INTEGRATE approach was developed. Using this approach mental health professionals engage with young people in a radically different way than they would do in traditional clinic settings. The overarching aim of the INTEGRATE approach is to reduce health and social inequalities.
- The Music & Change project worked with young people aged 16-25 years who were marginalised and who were involved in or at risk of involvement in highly antisocial behaviour and/or gang-related activity. Its aims were to provide holistic support to these young people in accessing employment, education and training, but with a particular focus on mental wellbeing.
- MAC-UK asked Pro Bono Economics (PBE) to support an economic evaluation of the Music & Change project in Camden. PBE found that the data available was insufficient for a full economic evaluation of this project. In particular, quantitative, monetisable data regarding the benefits of the project was not available. As such, PBE have instead analysed the cost and activity data which was available. We have done this in order to provide guidance on the outcomes which would be required for the Music & Change project to provide good value for money or a positive economic impact. This paper sets out the product of this work.
- Over the period 2012 – 2015 Music & Change spent around 1,900 hours on average per year on the young people in contact with the project. With around 100 young people in contact with the project per year, M&C spent around 17 hours on average on each young person.
- The average cost per young person in contact with the project per year was around £3,000 in 2014/15 prices. We estimate that the cost per hour per young person in contact with the service was around £156.
- The Centre for Mental Health evaluation of the project¹ indicates it did benefit a number of young people by reducing the severity of the mental health issues they faced, improving their employment opportunities and helping reduce the severity and level of offending and gang associations at least for the period of the project.
- We explore what levels of benefits would justify the cost of the project – we take a hurdle rate approach*. We consider what scale of improvement in employment, wellbeing or anti-social behaviour would mean that the benefits of the project were equal to its costs. Using resources, primarily the Social Value Bank², which present estimates of the value of a range of outcomes to individuals we seek to identify what levels of outcome are valued at the same as the cost of the project: £3,000 per person. Outcomes for the young person in contact with

* In this context we use the term “hurdle rate” to describe the minimum level of benefits you would want a project to achieve to justify its costs. It is a term more commonly used in [finance](#) to define the minimum rate of return that is needed to justify an investment.

the project that could justify the cost of this contact include four months of full-time employment or one month of being free from depression or anxiety.

1. Overview of MAC-UK

In this section MAC-UK describes their aims and activities as a charity.

MAC-UK has become well known for transforming mental health delivery for excluded young people by “taking mental health to the streets”. They have developed a co-produced and evidence-based solution, the INTEGRATE approach, to address the complex needs of the most excluded and underserved young people in our communities. The social and health inequalities present within these young people’s communities impact on their life chances and ability to thrive, but this cohort is the least likely to seek help.

MAC-UK has co-delivered four London-based multi-agency pilot projects that implement the INTEGRATE approach. Within these projects over 450 of the most highly excluded and ‘gang associated’ young people have engaged in co-producing the design and delivery of these local, psychologically-informed projects that work for them in a setting that feels safe and enabling.

The INTEGRATE approach involves numerous features arising directly from young people’s ideas that make it radically different to traditional mental health delivery. For example, projects start by “hanging out”; that is spending time together purely for the purpose of building trusted relationships first before offering support and reaching out to people in their place and at their pace. In practice, this might take place anywhere from in the park, on the street, in a nearby cafe, or minutes after being released from police custody. Mental health practitioners ask for young people’s help to make projects and services work, they hold an empathic, non-judgmental stance and actively nurture psychologically-informed interactions and systems. An emphasis on peer leadership means the projects harness people with lived experience who have the answers and the solutions to the problems in their community. This also led to a peer referral system (with no professional referrals), in which young people bring their friends to the project. This helps keep the project safe and enables the young people to lead the project.

MAC-UK’s vision is for justice, health, education and social care services to implement the INTEGRATE approach to become psychologically-informed environments, and for mental health care to involve reaching out to excluded young people in their locality, developing services through co-production and outreach. This means meeting young people in their place and at their pace, then designing and delivering services with, not to or for, people. MAC-UK has demonstrated that this leads to improved wellbeing, advances education and employment, improves young people access to community resources and their social inclusion. Within the INTEGRATE approach mental health is understood in terms of the context of the exclusion and inequality the young people experience, such that alongside personalised support via “street therapy”, young people and practitioners work together to create social change in their communities to collectively address the wider social determinants of well-being. Local and national employers, the criminal justice system, policy-makers and other services become the target of change, as led by the young people.

MAC-UK currently has 11 full time staff and input from three unpaid volunteers. In 2015, MAC-UK generated funds of £1.3 million, an increase of circa 30% from the prior year. Of this, £1 million was spent on charitable activities, and the remaining £0.3 million was spent on support costs.³

2. The Music & Change project in Camden

Music & Change was the first and the founding project of MAC-UK. It was the project through which the INTEGRATE approach was developed. It operated in Camden between 2008 and 2015. In this report, we refer to the charity itself as MAC-UK and the project we are reviewing as Music & Change (or M&C). The M&C project worked with young people aged 16-25 years in Camden who were marginalised and who were involved or at risk of involvement in highly anti-social behaviour and/or gang-related activity. The majority of the young people were not engaged by or did not engage with other statutory services, including social care, health and criminal justice provision.

The Music & Change project aimed to support young people to:

- Improve their well-being.
- Increase their social integration and help them enter or re-enter education, training and employment or use other available services that could help meet their needs.
- Reduce their offending and risk of offending.

Figure 1 sets out how Music & Change was intended to have these impacts through the support they offered in this *theory of change* diagram. The project also aimed to have a wider impact on the community and the services within it to help to achieve wider social change. For a fuller description of the early development of M&C see Zlotowitz et al., 2016⁴.

In the last two years and eight months of the project 164 young people had contact with M&C⁵.

The running costs for the Music & Change project over the period 2012/13 to 2014/15 were around £295,000 per year. We estimate that £140,000 of this was spent directly on the project and £85,000 was the cost of the overheads attributable to the project. In addition to this we estimate that M&C benefitted from donations and benefits in kind (for example, volunteer time on the project) worth potentially around £70,000 per year. Further information on the costs is presented in section 3.

The project was largely funded via grants and private donations. Funding from local and national grant funders for the project was around £104,000 on average per year between 2012 and the end of December 2015⁶.

Figure 1: A theory of change diagram fitting M&C's work in Camden

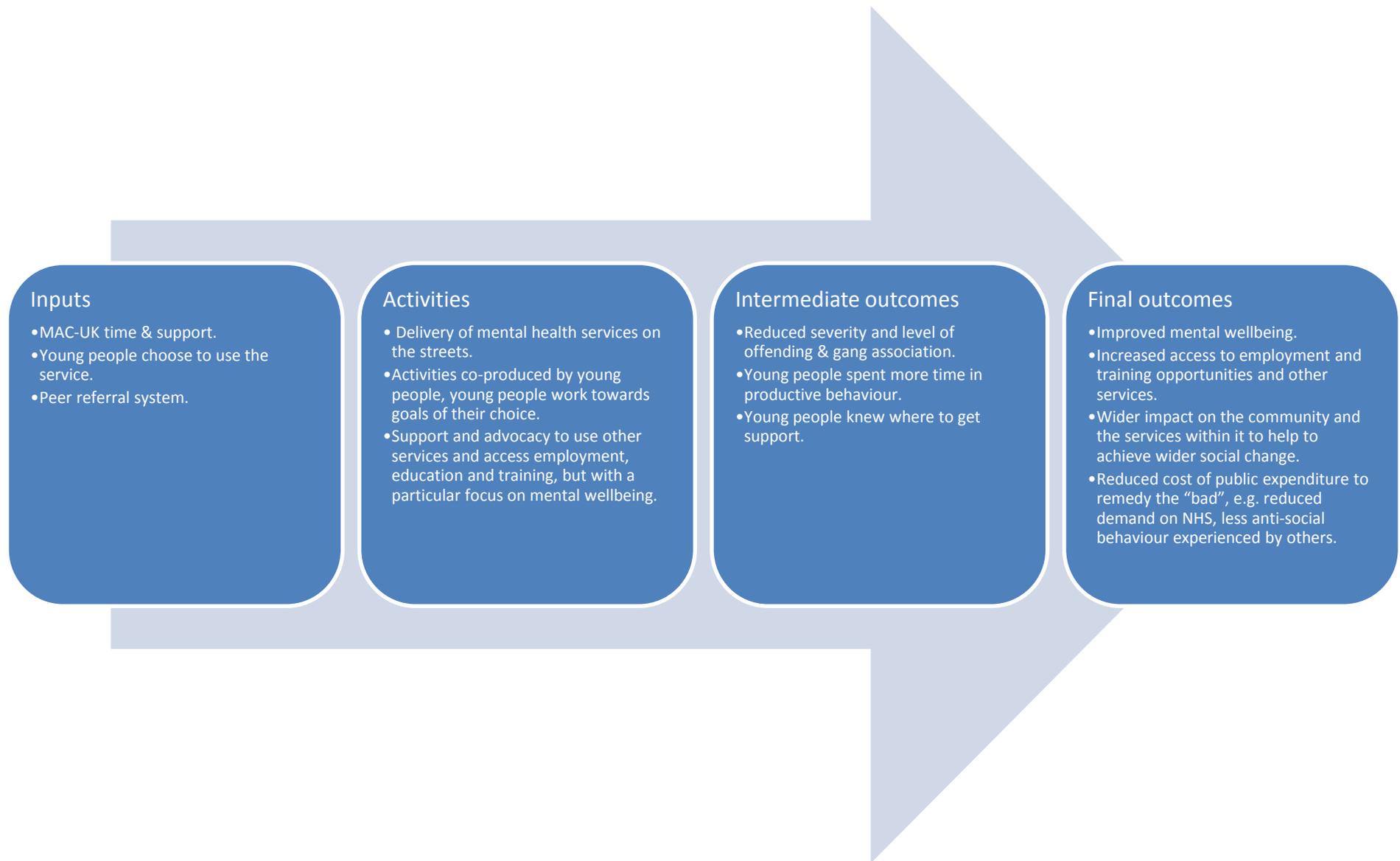
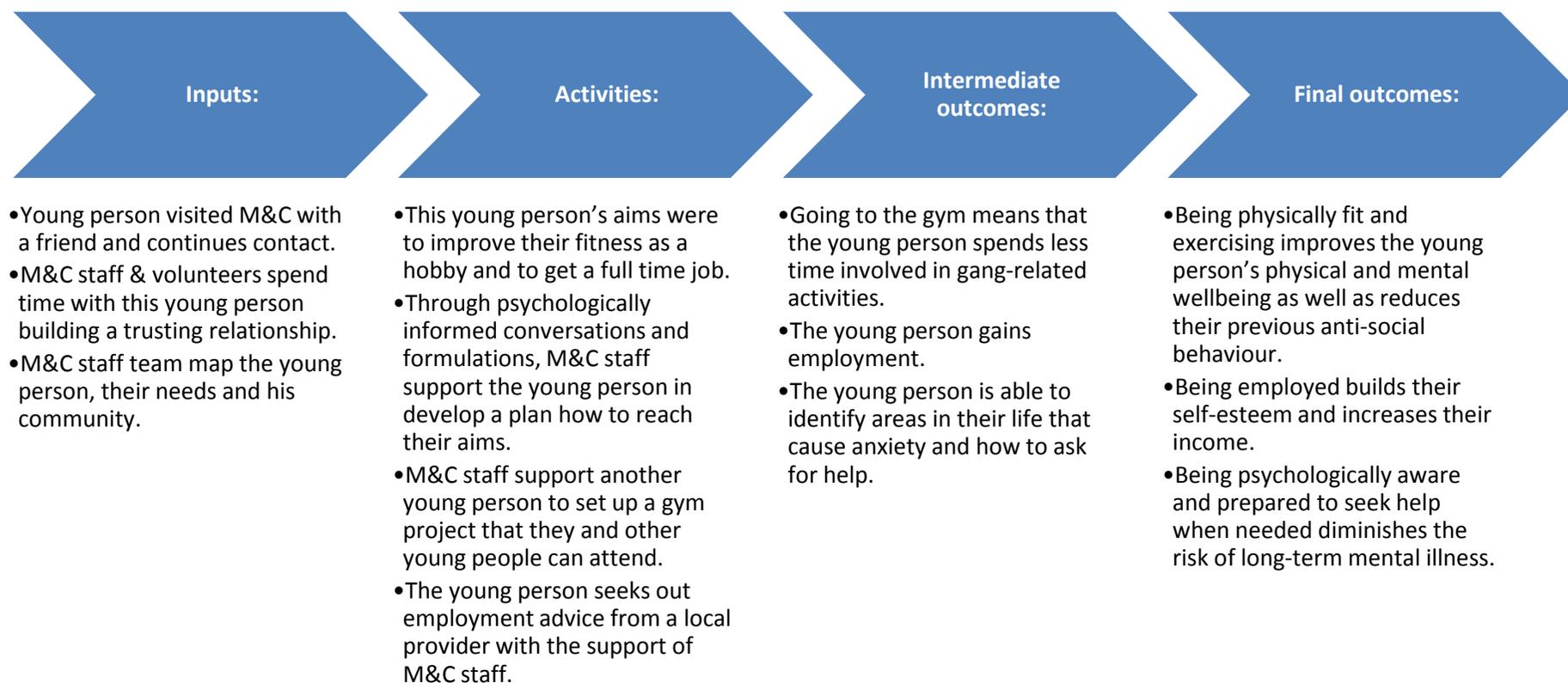


Figure 2: A hypothetical example of a young person in contact with the project



3. How much did the project cost?

We estimate that the average cost per young person in contact with the project was around £3,000 per year. In this section, we set out how we arrived at this estimate.

Total costs of the Music & Change project

MAC-UK provided us with their cost database for the Music & Change project which covers the period July 2012 up to December 2015. Over this period total direct costs were approximately £510k. Stripping away the one-off cost of Research and Evaluation, the underlying cost of the project over this period was £450k (figure 3). Therefore, direct costs per year, assuming the total spend covered approximately 3 years, averaged around £140k per annum.

Figure 3: M&C cost database – direct costs of Music & Change (2012 – Dec 2015)

| Area of expenditure | Expenditure, 2012 – 2015 |
|--------------------------|--------------------------|
| Staff Salaries | £344,791 |
| Research and Evaluation | £60,110 |
| Employers NI | £42,982 |
| Activities | £20,709 |
| Rent | £17,536 |
| Streetherapy | £9,132 |
| Mobile/Telephone | £4,610 |
| Staff Travelling | £2,376 |
| Youth Trainer Wages | £2,109 |
| Room hire | £1,922 |
| Pensions | £1,862 |
| CPD | £1,476 |
| Volunteer Travel | £918 |
| Staff Meeting | £422 |
| Office Stationary | £343 |
| <i>Total expenditure</i> | <i>£511,298</i> |

Figure 4: Estimated average yearly cost of overheads for M&C⁷

| | Overheads | Number of projects | Overheads per project (£) |
|---|-----------|--------------------|---------------------------|
| 2012/13 | £226,175 | 3 | £75,392 |
| 2013/14 | £286,069 | 3 | £95,356 |
| 2014/15 | £333,086 | 4 | £83,272 |
| Average yearly cost of overheads | | | £84,673 |

We used information from MAC-UK annual reports to estimate the costs of overheads attributable to this project (figure 4). MAC-UK ran three projects in 2012/13 and 2013/14 including Music & Change; in the fourth year MAC-UK started running another pilot. The cost of overheads for each project is relatively high because MAC-UK ran a small number of projects. Any organisation with good governance will have established roles and groups, e.g. a Board and a leadership team. These costs

are generally fixed regardless of the number of projects run by the charity. Therefore, the higher the number of projects undertaken by an organisation the lower the cost of overheads for each project.

We sought to estimate the value of gifts and benefits in kind donated to the project. The project benefitted from 2 volunteers supporting the project per week as well as two trainee psychologists volunteers each spending three or four days a week on the project. M&C were also given use of a community hall for four hours a week for free, and reduced gym entry fees for some of the young people in contact with the project. We estimate that these benefits could have been worth around £70,000 per year.

Overall then, we estimate that the total cost of the project could have been around £295,000 on average per year from 2012 – 2015:

- £140,000 of this was the direct cost of delivering the project which included staff salaries, activities with young people and staff travelling costs.
- £85,000 of this total cost can be attributed to overheads.
- £70,000 of this total cost is the value of donations to the project.

How much did the Music & Change cost per person in contact with it?

Using information on the number of young people who were in contact with the project we estimate that the average cost per young person in contact with the project was around £3,000 per year in 2014/15 prices.[†]

Figure 5: Cost per person of being in contact with M&C in Camden in 2014/15 prices

| Year | Estimated cost of M&C ⁸ | Number of young people in contact with the M&C project ⁹ | Cost per young person |
|---|------------------------------------|---|-----------------------|
| 2012/13 | £290,582 | 77 | £3,774 |
| 2013/14 | £306,126 | 111 | £2,758 |
| 2014/15 | £289,609 | 115 | £2,518 |
| Average cost per person per year | | | £3,017 |

It is very important to note that the estimates presented in figure 5 are likely to hide a huge range in the actual cost of each person in contact with the project. This is because some young people might have had only fleeting contact with the project, in which case the costs of their involvement would have been very low. On the other hand, other young people who were in contact with the project for an extended period would have yielded much higher costs.

The Music & Change team recorded the time they spent on the young people in a database, making a note of their topics of conversation. This database covered the last two years and eight months of the

[†] We did not have data for the earlier years of the project (2008-2012). We expect costs in these earlier years to have been the same or lower because the charity was smaller and fewer staff worked initially on the project.

project, and captured contacts with 164 young people on the project over this period. It indicates that Music & Change spent around 5,300 hours in conversation with these young people, or in conversation with others about these young people, e.g. speaking to his or her GP. These hours were recorded against fourteen topics of conversation and the most popular topics of conversation were employment, engagement and mental health.

To demonstrate the potential range in the number of contacts M&C made with each young person we have analysed the project database on the number of contacts per person (figure 6). The limitations to this data are that approximately two-thirds of the database entries are not recorded against individuals, i.e. there is no entry for the ID of the person which the contact relates to. Therefore, we are only able to produce the numbers shown in figure 6 for entries which are shown to be allocated to a given person using the service. Therefore, there is likely to be a degree of inaccuracy in these figures but they do give a good indication of the potential range in the number of contacts per person.

Figure 6: Descriptive statistics on number of contacts and hours spent per person

| | Number of contacts per young person | Time M&C spent per person (hours) |
|--------------------|-------------------------------------|-----------------------------------|
| Mean | 69 | 25 |
| Median | 25 | 9 |
| Mode | 2 | 0.1 |
| Standard Deviation | 90 | 33 |
| Minimum | 1 | 0 |
| Maximum | 446 | 156 |

Using the same data, we looked at the average number of hours per young person spent in contact with M&C on this project (figure 6). These figures also show quite a range in the time spent by individuals in contact with the project.

In the subsequent analysis we use all entries from the database, whether they are allocated to an individual or not; we take a top down approach. To put this into perspective, around 3,000 out of 5,300 hours on the database are attributed to individuals in contact with the project. We think that taking this approach is fine because we seek to understand the full cost of the project and the potential cost per person involved. If we were doing this analysis to understand its impact on each individual then we would only use the data which we can allocate to an individual.

Using this top down approach, the average number of hours spent by M&C per young person is 17 hours which is lower than the estimate of 25 hours presented in figure 6 which uses a bottom up approach. One possible reason why the bottom up approach yields a higher number is that it might not capture those who were in contact with M&C only once or twice who spent a small amount of time with M&C, in which case individual IDs might not have been generated for these young people.

To arrive at the cost per hour of a young person in contact with the project we divide the cost per person using the project by the average number of hours per person in contact with the project. The results and the figures we used to estimate these are set out in figure 7. We estimate that the cost of the project per person for each contact hour was £156[‡].

Figure 7: Average cost of a contact hour for each person in contact with the project

| Year | M&C total contact hours per year | Number of people in contact with M&C | Average time per person for M&C | Total cost of MAC | Cost per person using M&C | Cost per hour of M&C |
|---------|----------------------------------|--------------------------------------|---------------------------------|-------------------|---------------------------|----------------------|
| 2012/13 | [No data] | 77 | - | £290,582 | £3,774 | - |
| 2013/14 | 1902 | 111 | 17 | £306,126 | £2,758 | £161 |
| 2014/15 | 1928 | 115 | 17 | £289,609 | £2,518 | £150 |
| Average | 1915 | 101 | 17 | £295,439 | £3,017 | £156 |

How do these costs compare with alternative services?

We can compare the hourly cost of M&C to the cost per session of alternative services that a young person might use instead of M&C. It is difficult to judge how many sessions of these are equivalent to the service offered by the M&C project. While we use these examples below as comparisons we are not suggesting that these services are equivalent to an hour of contact with M&C.

We can use NHS reference cost data to compare the costs of outpatient appointments in a NHS Mental Health trust. The more expensive appointments are consultant-led appointments; figure 8 shows that in 2014/15 that these were on average between £186 and £268 (but with significant national variation) in 2014/15. Less expensive are non-consultant led appointments; first and follow up appointments for adults' first and second appointments are closer to £200.

An alternative to reference costs data is bottom up cost information – these costs have been estimated on the basis of all the components of a treatment. A comparator could be group Cognitive Behavioural Therapy (CBT). According to the annual report on Unit Costs of Health and Social Care¹⁰ the cost of a CBT session is £98. The cost per person would depend on the number of people per session and how many sessions a young person would attend.

[‡] It is worth noting that since we do not have data on the number of M&C contact hours for the year 2012/13, the estimated cost per hour of the project is based on data from two years only: 2013/14 and 2014/15.

Figure 8: Relevant NHS reference costs, Non-admitted Face to Face Attendance ¹¹

| | Service Description | Currency Description | National Average Unit Cost | Lower Quartile Unit Cost | Upper Quartile Unit Cost |
|--------------------|---------------------------------|----------------------|----------------------------|--------------------------|--------------------------|
| Consultant-led | Clinical Psychology | First | £268 | £145 | £336 |
| | Child and Adolescent Psychiatry | First | £187 | £81 | £264 |
| | Clinical Psychology | Follow-up | £210 | £83 | £323 |
| | Child and Adolescent Psychiatry | Follow-up | £186 | £79 | £259 |
| Non-consultant led | Clinical Psychology | First | £197 | £88 | £276 |
| | Child and Adolescent Psychiatry | First | £414 | £428 | £428 |
| | Clinical Psychology | Follow-up | £194 | £112 | £268 |
| | Child and Adolescent Psychiatry | Follow-up | £418 | £426 | £426 |

4. What were the benefits of the project?

The purpose of the Music & Change project was to reduce the severity and level of offending and gang associations of the young people in contact with it. This should then have led to improved mental wellbeing, increased access to employment and more training opportunities for them. It was thought the project could also have had a wider impact on the community. The project aimed to effect wider social change by facilitating youth-led social action projects, transforming other local and national services and supporting young people to participate in local and national policy-making that affected them. Findings from the evaluation produced by the Centre for Mental Health (CMH) indicated that the project did deliver some of the outcomes it wanted to achieve (see Box 1)¹², though worth noting is that the evaluation did not include a comparison group.

The data collected as part of the evaluation was not sufficiently detailed for PBE to quantify the benefits per young person in contact with the project. To do this analysis we would have needed an estimate of how many people in contact with the project experienced improved outcomes, how long these improved outcomes lasted and how they compared to outcomes of a comparison group.

The CMH evaluation focused on a small and self-selected group of young people who were in contact with the project. The evaluation did not explore what the outcomes would have been for these young people were it not for the project, but it did consider improvements in outcomes across different points in time, though the measures presented in the report do not necessarily capture the outcomes for exactly the same group of young people at different points. The report presents a wide range of qualitative evidence that supports the improvement in outcomes that they attributed to the project.

Box 1: A brief summary of benefits described in the Evaluation for Music & Change¹³

MAC-UK commissioned an evaluation from the Centre for Mental Health (CMH). As part of this evaluation they collected data on the outcomes for some young people in contact with Music & Change. They sought to evaluate the impact of the project on its three primary individual aims: improved mental well-being, increased access to employment and training opportunities and other services; and reduced severity and level of offending. The measures they used were a range of mental health self-report and clinician rated measures, employment status and data on offending from two sources. They compared outcomes on these measures at different points in time during the project.

Methods

CMH recruited a sample of 35 young people who used the service in the last year of the project. Interviews were held with 32 young people in May 2015 and 26 young people completed self-reported questionnaires. CMH also interviewed stakeholders from the NHS, Camden Council and local voluntary sector agencies. They also looked at clinician rated measures gauging some users' mental health at different stages of the project, and some anonymised offending data.

Select findings taken from the report

| Direct quotes | Comments & qualifications on findings |
|--|--|
| <p><i>The young people using the service were the ones the project intended to reach: they were young people who had complex and multiple needs who had been in touch with the justice system and many had significant mental wellbeing needs.</i></p> | |
| <p><i>Music & Change engaged with young people through activities, through 'community walks' and through peer referral. Peer referral was particularly important to make the project feel safe for young people making initial contact.</i></p> | |
| <p><i>Music & Change helped to link the young people they worked with towards opportunities outside their often restricted world of immediate locality, peers and families, towards getting help with housing, health, employment and benefits. The evaluation notes a marked reduction in the percentage of young people in the sample who were not in employment, education or training (NEET) from 74% at the start to 43% after engagement.</i></p> | <p>The first point was recorded in 2014 with the initial engagement with the evaluation, and the second point was recorded in Autumn 2014. According to the CHE report 83 young people spent an average of 12.4 hours each discussing employment with M&C.</p> <p>It is worth noting that there was no comparison group in this study. Furthermore, attribution of these impacts to M&C could be challenged if young people were in contact with other projects. According to MAC-UK the vast majority of young people were not in contact with other projects. Some of the young people were required to use other services (e.g. Youth Offending Teams); these activities were not optional.</p> |
| <p><i>Approximately a third of the young people who participated at the end of the evaluation self-rated as having mental health problems above the clinical threshold for referral for mental health care. The ratings show that there was a significant reduction in the severity of these needs over time. For example, among a number of clinical measures used was the Threshold Assessment Grid (TAG). They collected data on this for the young people at four time points. Lower scores in the TAG indicate lower levels of need. The TAG scores showed an improvement (i.e. reduction in severity of need) over time. All of those rated at time point 4 (Summer 2015) were previously rated at time point 3; of these nine young people, six had improved scores, four markedly so (at least by 50%), two more had a marginally improved score and three had marginally increased score. These improvements in wellbeing were also supported by reports by staff and young people.</i></p> | <p>These findings should be taken in the context that they are based on the outcomes for a small sub-set of young people in contact with the project. The true impact of the project could also only be estimated against a counterfactual, like outcomes for a comparison group, which would tell us what could have happened if the young people had not been in contact with the project.</p> |

| | |
|---|--|
| <p><i>Data about offending among the young people in contact with Music & Change was not robust enough to draw any conclusions about the impact of the project in this regard.</i></p> | |
| <p><i>Music & Change has had a significant impact on services in Camden for marginalised young people. Young people involved in the project had an important role in influencing other organisations to change the way they work with this group...</i></p> <p><i>The following developments in and around the borough were seen by stakeholders as being significantly influenced by M&C:</i></p> <ul style="list-style-type: none"> <i>• A second MAC-UK project in Camden (Positive Punch)</i> <i>• The Minding the Gap strategy (a joint Clinical Commissioning Group and Council strategy supporting transition from young people's mental health service to those for adults)</i> <i>• The Hive (a one-stop shop for young people and designed with young people) AXIS (a service to support young people with a range of needs, based at The Hive and run by Catch 22).</i> | <p>Note that the word “significant” here does not relate to any statistical analysis proving impact.</p> |
| <p><i>The closure of Music & Change is perceived locally to have left a gap but a number of 'legacy' projects have begun that draw on INTEGRATE principles.</i></p> | |

5. What outcomes would have justified the Music & Change project?

The Centre for Mental Health evaluation report indicated that the project improved outcomes in the following areas for young people in contact with it: improved mental well-being and increased access to employment and training opportunities and other services. There was insufficient evidence to judge the project's impact on reduced severity and level of offending of those young people.

In this section, we explore what types of outcomes would need to be experienced by the young person or members of their community to justify the cost of the project. We are not presenting an economic evaluation of the Music & Change project because we did not have sufficient data on the impact of the project to undertake such analysis.

The cost of the Music & Change project would be justified if the outcomes from the project were of a scale that meant the benefits exceeded the costs. We provide examples of outcomes which if achieved would have meant that the project would “break even” – i.e. its costs would have been equal to its benefits.

We estimated that the average cost per person in contact with the project each year was around £3,000. If a person was in contact with the project for a year, we believe that the cost of this would have been justified if any one of the outcomes shown in figure 9 were attained. If more than one of these outcomes were attained then the project would have demonstrated a positive economic benefit for that person. It is also worth noting is that a combination of these outcomes below the thresholds presented which together equated to more than £3,000 could also have resulted in a positive net benefit.

Potential benefits to those in contact with the Music & Change project

We used data from the Social Value Bank to derive the values in figure 9. The [Social Value Bank](#) is “the largest bank of methodologically consistent and robust social values ever produced”¹⁴. It contains monetised estimates of the changes in wellbeing from various outcomes ranging from those relating to employment, the environment and health outcomes. Using this source, we can provide an idea of the kinds of social impacts that Music & Change could have had if certain outcomes were achieved by the project.

The monetised values in the database capture the value of an increase in wellbeing for the period of a year resulting from an outcome, for example, moving from unemployment to a full year of full-time employment. This is estimated to be £8,607 for a person under the age of 25 years in London (in 2014/15 prices). These estimates are based on national survey data on a binary outcome of moving from unemployment to employment. We make the assumption that the values of wellbeing outcomes for this group are the same as for all 25 year olds in London (this might not hold true in practice). On the basis of this assumption, a young person in contact with the project for a year who was previously unemployed would only need to gain full time employment for a fraction of the year to justify the cost of their contact with the project (£3,000). We estimate that they would only need to be employed full time for 128 days for the project to “break even” for this person. At 128 days of full time employment the value of the benefit in wellbeing terms is equivalent to £3,000. If this young person remained in

work for any longer than that period, then the project could have had a positive economic benefit for that young person.

The values described in the paragraph above and in figure 9 are the value of the benefits achieved over and above what would have happened anyway (what we describe in economics as “deadweight loss”). The idea is that even without contact with the project some young people could have experienced improvements in aspects of their life that affect their wellbeing. The Social Value Bank has a method to adjust for these outcomes that would have happened anyway¹⁵. Alternatively, this can be estimated by looking at outcomes of those involved in the project against the outcomes of those in a comparison group which had no contact with the project.

Potential benefits to society from Music & Change

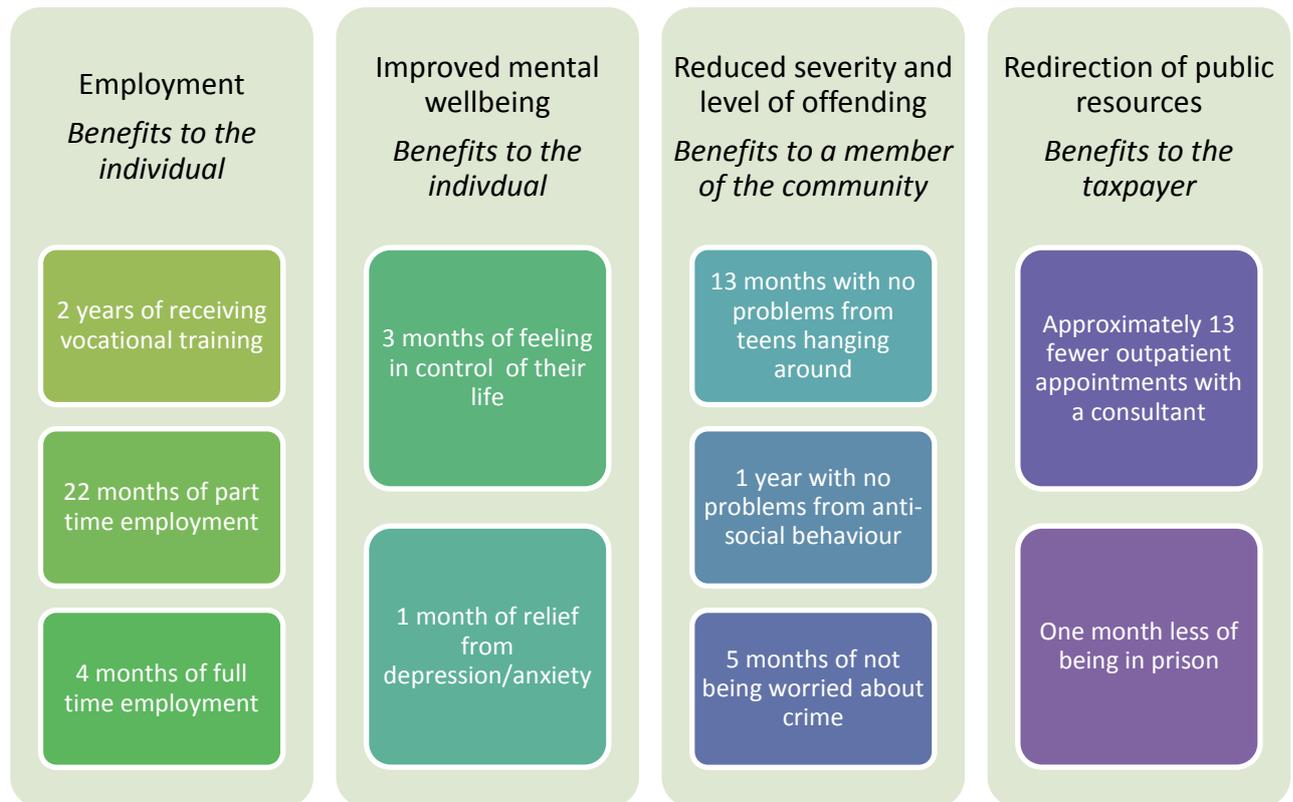
Whilst the Social Value Bank focuses on valuations derived by reported wellbeing data, it is worth noting that there are other valuation databases. For example, there is the New Economy database¹⁶ which uses a mixture of different approaches to valuing benefits and includes government cost savings.

Government cost savings might come from this project – for example – from a reduced severity and level of offending among the young people in contact with the project. This might reduce government resources dedicated to taking some of these young people through the justice system.

A Home Office research study in the year 2000 estimated the costs of different types of crime to victims and the government. This research set out an estimate the costs of a property crime to authorities, defined as “all crimes against the property of individuals or households where threats or violence were not used on the victim”. This is the type of crime young people in contact with M&C could have been involved in. In today’s prices, the cost of a property crime like criminal damage is around £700 per crime to authorities for activities which include police activity, legal aid and prosecution¹⁷.

A further example of a potential benefit to society from a project like M&C is the potential impact on local health services. Projects like this could mean that because the young people in contact with the project receive support for their mental health, they are less likely to experience very bad mental health which could lead to them accessing national health services at a level of acuity which is more costly and difficult to treat. Without the M&C project these young people are unlikely to have accessed support for their conditions. With the M&C project MAC-UK was aiming to address inequalities in health and care which are widely acknowledged to impose a cost on society¹⁸. If the project does displace the need for young people to access NHS appointments at a more advanced level of acuity then this could save the NHS money; each contact could be as much as £100 cheaper per hour (see section 3) and this could ease the demand on some local NHS services.

Figure 9: Outcomes that could justify the cost of one year of Music & Change contact with one young person¹⁹ - only one of these would need to be achieved to “break even”[§]



[§] In figure 9 we present the potential benefits to one member of the community. Splitting each of these outcomes at the specified level among a number of members of the community would still represent a “break even” level of benefits. However, it is worth noting that measuring outcomes to the community and attributing them to a given project could present challenges.

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- ⁶ 2012 – 2015 Music and Change.xls database
- ⁷ Costs of generating voluntary income & Governance, MAC-UK Annual report 2015, MAC-UK Annual Report 2014, MAC-UK Annual Report 2013 & MAC Annual Report 2012, <http://www.mac-uk.org/about-us/annual-report/>
- ⁸ MAC-UK Annual report 2015, MAC-UK Annual Report 2014 and MAC-UK Annual Report 2013, <http://www.mac-uk.org/about-us/annual-report/>
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- ¹⁸ <https://www.nice.org.uk/advice/LGB4/chapter/What-can-local-authorities-achieve-by-tackling-health-inequalities>
- ¹⁹ All benefits estimated using values taken from the Social Value Bank, <http://www.hact.org.uk/measuring-social-impact-community-investment-guide-using-wellbeing-valuation-approach>, except for the estimate from Prison savings which is estimated using their estimate of the annual costs per prisoner per annum from the New Economy database <http://www.neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>