



The Socio-Economic Value of Law Centres

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Executive Summary

Law Centres across England provide a comprehensive legal service to individuals and local communities where they are located. However, the impact of their work often goes beyond the individual or community and affects wider stakeholders. These impacts move from the individual, to institutions, the local community and wider society due to the strategic role Law Centres play.

The Law Centres Federation commissioned **nef consulting** to assist with the production of a short piece of research examining the socio-economic value of the impacts of the work of Law Centres.

To capture the full economic value of the work of Law Centres, a methodology was employed that attempts to capture (and translate into financial value) all the impacts across all material stakeholders affected by a Law Centre intervention.

The limited scope of the work programme did not permit a comprehensive economic assessment of all of the activities undertaken by Law Centres. It was therefore decided that the economic value of examples of Law Centres' work would be analysed. The examples covered the three principle strands of work Law Centres undertake, namely:

- Individual Case Work.
- Education and Prevention.
- Develop Policy/Test Cases.

Individual case work, the principle component of Law Centres' work covers many fields of social welfare law including, immigration, community care, debt, housing, education rights, employment and welfare benefits. The example analysed in the report was of assistance provided to a young girl with learning difficulties who was threatened with homelessness. The impacts of the Law Centre intervention were many and varied and were estimated at around £20,000.

For the education and prevention stream, a legal education programme around the issue of eviction — offered by Southwark Law Centre— was reviewed, and was estimated to have created a social return of around 6 (i.e. for every £1 spent, £6 worth of social value was created).

The benefits of the housing eviction policy work example included lower evictions, lower levels of tenants facing rent arrears and increased efficiencies in communications between agencies.

Although the impacts arising from the policy work were not quantified — further research would have been required — the individual case work and education programme examples reviewed demonstrate the cost effectiveness of Law Centres' work and how the impacts identified affected not only the individual, but government and wider society.

Introduction

nef consulting was commissioned by the Law Centres Federation (henceforth LCF) to assist with the production of a short piece of research examining the economic value of the work of Law Centres. The limited scope of the work programme did not permit a comprehensive economic assessment of all of the activities undertaken by Law Centres. It was therefore decided that the economic value of examples of Law Centres' work would be analysed. The examples chosen are of actual case studies/programmes of work.

The scale of the costs and benefits surrounding individuals' legal issues in the UK is substantial: "Over the three and a half year period covered by the English and Welsh Civil and Social Justice Survey, it is estimated that the costs to individuals, health and other public sectors was at least £13 billion pounds"¹.

To measure the full economic value of the work of Law Centres, such as individual case work or public legal education programmes, an analysis needs to look beyond the costs and benefits to the individual client. It needs to examine the costs and benefits from a multi-stakeholder standpoint. To appreciate the implications of the work for the wider society, often the state (government) needs to be included as a stakeholder, as well as surrounding communities.

The approach we have employed attempts to capture social value by translating social objectives into financial and non-financial measures. Intangible as well as tangible impacts are considered, which takes the analysis beyond the simple capture of visible/quantifiable financial flows.

Report Structure

The work will be structured in the following order:

- Overview of the different strands of work undertaken by Law Centres.
- Explanation of the economic methodology employed in measuring socio-economic value.
- Socio-economic analysis of an individual case study.
- Socio-economic analysis of a public legal education programme & policy development work.
- Recommendations for further research.

¹ Pleasence, P. (2006) Causes of Action: Civil Law and Social Justice – 2nd edition, Legal Services Commission

Section 1 — Law Centres' Work

The role of Law Centres is to provide their local communities with a comprehensive legal service that puts the legal and human rights of individuals first. Law Centres help to overcome the obstacles faced by people who need access to the legal system².

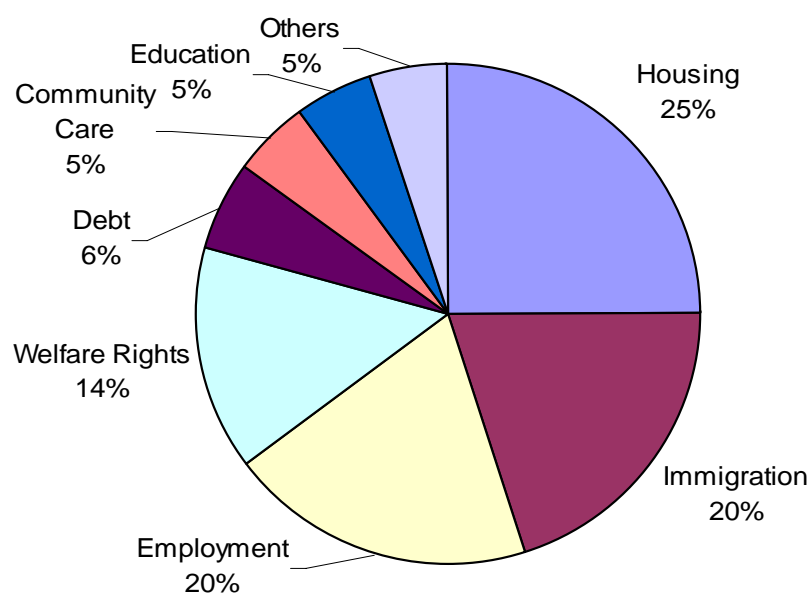
The work of the 52 Law Centres in England can be divided into three principal strands:

- Individual Case Work.
- Public Legal Education and Prevention.
- Develop Legal Policy/Test Cases.

Individual Case Work

Individual case work takes up the majority of Law Centres' time and resources. Social Welfare Law covers many of the different types of case work that Law Centres undertake for their clients. Diagram 1.1 presents the principle types of case work that Law Centres undertake³.

Diagram 1.1: Individual Cases by Type



The aim of the individual client work that Law Centres undertake is to provide not only immediate short-term solutions to the pressing issues faced by the client, but also longer-term solutions that will enable them to become independent and better able to tackle future problems. This is an important distinction to make as it can have

² <http://www.lawcentres.org.uk/lawcentres/detail/what-do-law-centres-do/>

³ Figures derived from a representative sample of Law Centres. Figures reflect case numbers opened in 2006/07.

a significant impact on the overall level of benefits produced by Law Centres both for their clients and other relevant stakeholders.

One of the key themes of the government is getting people into employment. The longer-term solutions that Law Centres provide, such as a decent place to live in, ensuring benefits are claimed and that children receive an education, etc. equip people to find employment. In addition, the advice provided with regard to employment (and discrimination) ensures that people in work are not treated unfairly and do not lose their jobs.

Education and Prevention

In addition to individual case work, Law Centres play an important role in providing legal education, designed to prevent the type of problems that often result in individuals requiring Law Centres' assistance. Knowledge about the law and how problems can be solved can be communicated to the families and friends of clients, who might be able to avoid a future situation, or at least know what alternatives are open to them. Training can also be provided to other support agencies to more effectively spread the message of public legal education.

Assessing the quantitative benefits of education programmes can be difficult, especially when they are run in partnership with other organisations (see example in section 2). However, despite such difficulties, prevention has often been shown to be some of the most cost effective methods of assistance in the long term.

Develop Policy/Test Cases

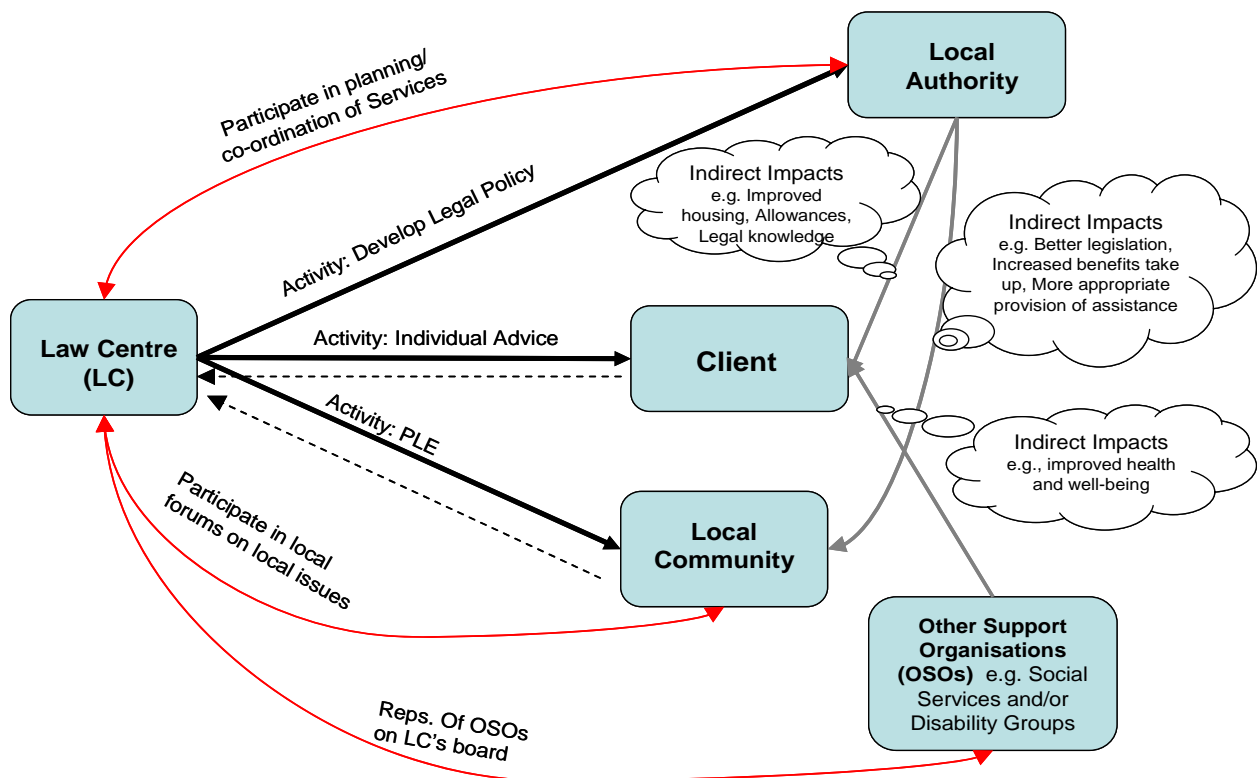
Working in partnership with various advice centres and institutional bodies, Law Centres are at the forefront of framing policies, legal procedures and guidelines that directly affect their clients and the local communities in which they work. They often take on cases that clarify and extend rights for the public, particularly in the fields of social welfare law outlined above.

Strategic Role

The aforementioned activities demonstrate the strategic role played by Law Centres in the communities in which they are located. The issues raised in individual case work are often the root cause of problems faced by communities. This places Law Centres in the unique position of being able to disseminate information to other support bodies, and also to propose remedies. For example, a Law Centre is likely to establish the reason why a council has a high eviction rate; evictees may not have been consulted properly; they may not have understood the conditions that have precipitated such action, and therefore have not responded correctly.

This catalyst role that Law Centres play allows benefits to move from the individual, to institutions, the local community and wider society. Diagram 1.2 helps demonstrate how the Centres' position, embedded in communities, creates these effects.

Diagram 1.2: Direct and Indirect Benefits of Law Centres



Key:
 —: Direct LC activities
 —: Indirect impacts of LC activities
 —: Relationships
 - - -: Feedback

Diagram 1.2 demonstrates how:

- The three principal strands of the work of Law Centres directly affect individual clients, local communities and local authorities.
- Law Centres participate in local forums debating local issues, such as policing and environmental and housing improvements, feeding in the views of local people to their work.
- Law Centres' relationships with local authorities and other organisations indirectly create benefits for individuals and local communities through the harmonisation of the services of other community groups, advice agencies, and solicitors in the area.
- Indirect impacts are generated from the feedback from individual case work and education and prevention work. These feedback mechanisms allow Law Centres to notify other support organisations that might be better positioned to provide care, or to alert local authorities as to some of the root causes of issues (see example above).

To date, Law Centres have measured their success by both qualitative and quantitative means. The quantitative measurements have tended to focus on outputs

as opposed to outcomes and impacts. Taking the example of housing evictions, an output might be a reduction of X no. of possession action. An outcome/impact would be how the individual/family's life changed as a result of not suffering a possession action. The first output measure makes an assumption about the difference that has been made to lives, the outcome indicator measures it directly.

To be able to identify, separate and rank the impacts of Law Centres' work (such as those identified in Diagram 1.2, we use the following methodology to measure impacts.

Socio-Economic Valuation Framework

This report bases its approach to the measurement of the socio-economic value of Law Centres' work on a methodology that captures social value by translating social outcomes into financial values. This allows a fuller picture of the benefits that flow from the investment of time, money, and other resources. The benefits can then be seen in terms of the 'return' for individuals, communities, society or the environment.

The methodology is conducted in four principal phases: 1) Parameter Setting and Impact Map; 2) Data Collection; 3) Modelling and Calculation; 4) Reporting and Recommendation.

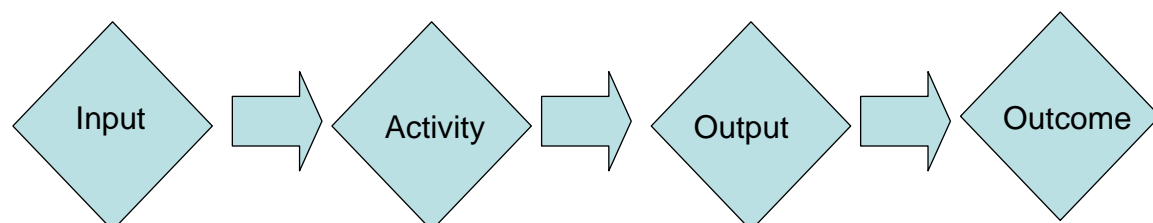
Phase 1: Setting Parameters and Impact Map

To measure the socio-economic benefit of an organisation or a part of its work, it is necessary to set the parameters of the work i.e. what part of the work of a Law Centre is being measured (individual case work, public legal education programmes etc.) and then identify the stakeholders whose costs and benefits — associated with the investment or organisation — are to be measured.

We identify and prioritise stakeholders based on their materiality to the project under review. Key stakeholders are those who are either most affected by the impact or whose influence can most directly affect the outcome of an area of work.

With an identified list of stakeholders, it is possible to create an impact map. This provides an understanding of how the organisation makes a difference in the world: it connects inputs and activities to outputs and how in turn these may affect stakeholders' outcomes (Diagram 1.3). Impacts can then be derived from the identified outcomes (Diagram 1.4).

Diagram 1.3: Impact Map



Phase 2: Data Collection

Having built the impact map, we identify appropriate indicators to capture outcomes and identify monetised equivalent values for the indicators.

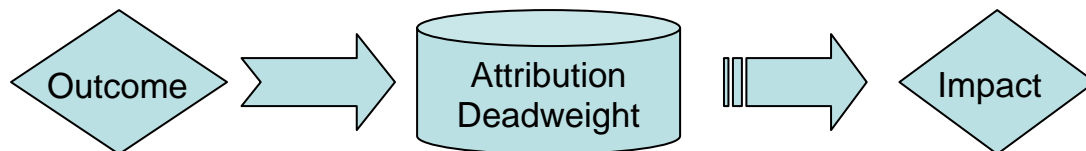
The nature of the work of Law Centres and the stakeholders affected means there is likely to be a broad range of outcomes to be measured, which will range from the easily quantifiable to the qualitative. Where market values are available, these can be used to generate indicators of financial value for impacts. However, the market does not always provide a value for a social impact. Where there is no market value, one needs to employ approximations (proxies) - a value that is deemed to be close to the desired indicator, for which exact data is unavailable.

Phase 3: Model and Calculate

Before arriving at a socio-economic value for the benefits identified in the impact map, we consider:

- Attribution: How much of the impact can be attributed to the organisation (e.g. perhaps the investment was a partnership where only 50% of the impact can be claimed by either party)
- Deadweight: Estimate what would have happened had the intervention not taken place (e.g. would another organisation have supplied the same service anyway)

Diagram 1.4: Outcome to Impact



Once the impacts are calculated and the inputs accounted for, they can be combined to create a socio-economic benefit to cost ratio.

$$\text{Ratio} = \frac{\text{Value of benefits}}{\text{Value of investments}}$$

Phase 4: Report and Recommend

By reporting the full impact of the organisation's operations and identifying the level of return for its investment, the organisation is better able to understand the true impact it has on all its stakeholders. It also demonstrates transparency in the creation of the value ratio and therefore makes the process more rigorous.

Section 2 — Case Studies

In section 2, we examine the three different strands of Law Centres' work identified in the previous section. In the individual case work, we provide a more in depth analysis of the socio-economic value arising from the work — because this is the principal strand of work that Law Centres undertake. The methodology laid out in the previous section is employed to determine the costs and benefits, both quantitative and qualitative. For the latter two examples of work, our analysis is at a broader level.

Individual Case Work

Learning Disability, Housing, Community Care and Benefits

Sarah⁴ is sixteen years old. As a result of her mother's disapproval of her boyfriend, she was thrown out of her home. To avoid ending up living on the streets, Sarah went to the Homeless Persons Unit (HPU) and was placed in a bed and breakfast pending the HPU's investigation into her situation. The HPU decided that Sarah was intentionally homeless and so she was asked to leave the bed and breakfast.

Box 2.1

N.B: At this point in the story, there are two possible paths that Sarah might have taken. The path that we assume would have happened without the intervention of the Law Centre is that Sarah would have become a homeless person. The alternative is important because it acts as a control or what we called **deadweight**. Knowledge of the alternative allows us to discount what would have happened in the absence of the Law Centre and therefore measure the net impact of the Law Centre's intervention.

After the decision was made to ask Sarah to leave the bed and breakfast, Sarah's father took her to see a Law Centre advisor. Sarah spoke with the advisor and an appeal against the HPU's decision was submitted. The appeal submission, put together by the Law Centre advisor, contained medical evidence regarding Sarah's learning disabilities.

The appeal against the HPU's decision was successful, in part because the HPU had overlooked Sarah's learning disabilities when arriving at its original decision. Sarah was provided with a room in a supported housing project.

Following the success of the HPU appeal, Sarah's advisor also helped her make a claim for Disability Living Allowance and Incapacity Benefit which assisted Sarah financially. Sarah was able to pay for food and rent without struggling to sacrifice either one or the other.

Sarah did well in supported housing and subsequently learnt how to live independently and manage her own finances. She also attended a 12 week taster college course and her advisor helped her to make a claim for Education Maintenance Allowance in addition to her benefits. Sarah was subsequently given her own flat and commenced a full time college course. Sarah's Advisor also helped

⁴ Names have been changed to maintain anonymity.

her successfully claim for a Community Care Grant in order to assist Sarah financially to furnish her empty flat.

Setting Parameters and Impact Map

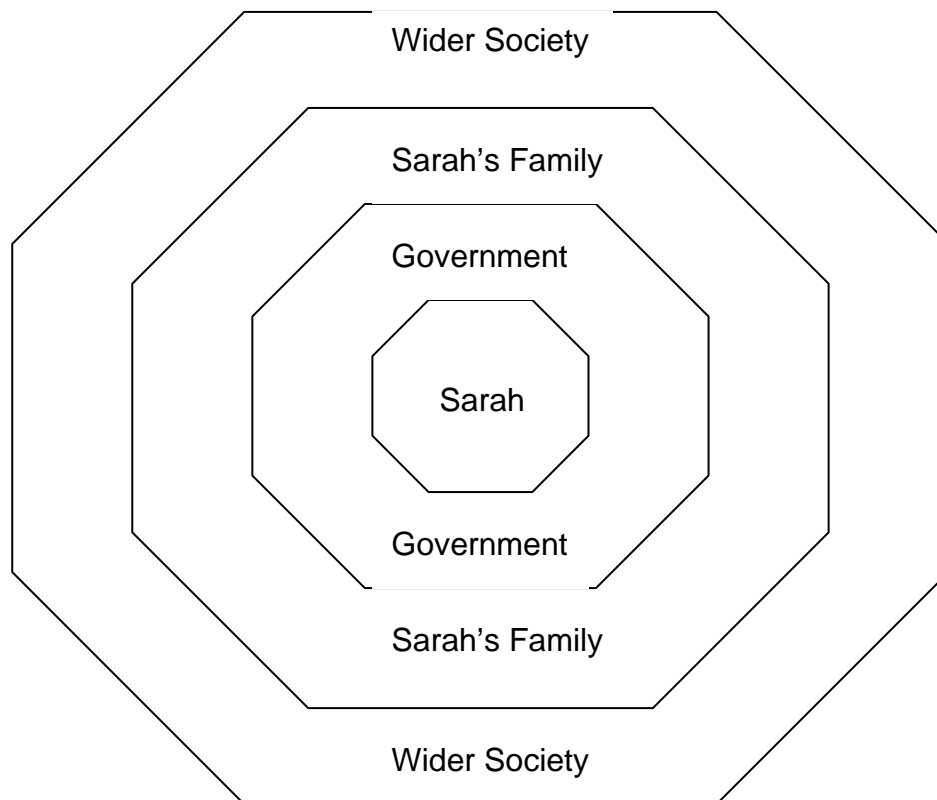
The first stage of our methodology for identifying the benefits and cost of the Law Centre intervention is to establish the parameters of the analysis, identify the stakeholders, and mapping of the impact.

The parameters of the analysis in this instance are quite simple. It is the work that the Law Centre advisor does for Sarah.

In identifying and prioritising the stakeholders, we begin with the central protagonist – Sarah, and work outwards:

- In this case study, central to the work of the Law Centre is the impact it has on Sarah.
- A secondary stakeholder is the government, because of the other services that it would have needed to provide to Sarah in the absence of the Law Centre intervention.
- Looking beyond these two stakeholders we also consider Sarah’s family as a stakeholder in the intervention because of the impact changes in her situation could have on them.
- Lastly, there is a possible impact to wider society of the trajectory of Sarah’s life – principally the impact if she were to have become homeless.

Figure 1: Stakeholders



Using materiality – the process that determines which stakeholders are most important - we decide in this case that the impact on wider society of the support that the Law Centre provides to Sarah is too diffuse to measure; and while we acknowledge it, we do not include it in our impact map. The same is the case for Sarah’s family. The improvement in Sarah’s situation as a result of assistance by the Law Centre will undoubtedly have a positive effect on her family, but it is something that we cannot quantify at this point.

The next stage is to construct an impact map. An impact map allows us to identify, in a logical manner, how the Law Centre’s intervention leads to the identified impacts:

- Inputs – the resources employed by the Law Centre to assist Sarah
- Activities – the interventions provided by the Law Centre on behalf of Sarah.
- Outputs – the direct tangible results of the activity.
- Outcomes – the changes that occurred for Sarah and other stakeholders as a result of the activity.

Table 2.1: Impact Map

Stakeholder	Inputs	Activities	Outputs	Outcomes
Sarah	Time spent on case by Law Centre	Gather information on learning difficulties	Position in assisted housing / own flat	Avoid homelessness / live independently
	" "	Claim for disability allowance and incapacity benefit	Pay food and rent	Improved Diet and Health
	" "	Educational maintenance allowance claim	Full time college course	Greater employment prospects /well-being from working
	" "	Community care grant application	Furnish empty flat	Better living environment
Government (Central/Local)	Not Applicable	Provision of benefits / allowances / grants by government	Sarah in council accommodation	Reduced health costs
	" "			Avoidance of homelessness
	" "		Sarah in full time college course	Prospects of an increase in taxation: benefits ratio

The impact map above is notable for the absence of a column listing the impacts of the Law Centre intervention. The difference between an outcome and an impact is deadweight (referred to in the box above) and attribution. While what would have happened to Sarah in the absence of intervention by the Law Centre is a hypothetical

question, experience suggests that Sarah could well have ended up homeless⁵. This assumption equates to deadweight of zero i.e. that the outcomes presented in the table are the same as the impacts.

Data Collection

Having arrived at a set of outcomes resulting from the interventions made by the Law Centre, these need to be quantified. For this, we assign indicators to represent the change in Sarah's situation – the outcomes listed in Table 1 – and for those indicators that prove difficult to quantify, possible financial approximations (proxies).

Table 2.2: Quantification of Impacts

Stakeholder	Outcome	Indicator	Financial Measure / Proxies
Sarah	Avoidance of homelessness / live independently	Living in own flat	Rent (willingness to pay to not be homeless)
	Improved Diet and Health	Regular eating patterns	Average weekly food spend
	Greater employment prospects / Well-being benefits	Being in employment	Income from new job
	Better living environment	Increased self-reported well-being	-
Government (Central/Local)	Avoidance of homelessness	Fewer homeless people	Cost of 1st stage hostel
	Better nutrition	Reduced health costs	Cost to government of obesity
	Prospects of an increase in taxation: benefits ratio	More people in work	Tax receipts from part time work + benefits saved

The outcomes listed in table 2.2 are the same as those in table 2.1 — table 2.2 can therefore be thought of as an extension of table 2.1.

To calculate the benefits of the intervention, we take each stakeholder in turn. We begin with Sarah:

Outcome 1: the first outcome of the Law Centre's intervention was Sarah's ability to live independently. The obvious indicator for this outcome is that she is living in her own flat, and we assume the amount she values living in her own flat (as opposed to on the streets) is the rent she is required to pay to remain in that flat.

⁵ Discussions with Law Centre advisors suggested that homelessness is the most common outcome for individuals in situations similar to Sarah's, in the absence of Law Centre intervention.

Outcome 2: Sarah’s improved diet and health resulting from her access to disability allowance and incapacity benefit is reflected in an improved diet. To quantify this, we make an assumption that the financial benefits that supports her improved diet equates to 30% of her annual food budget.

Outcome 3: The greater employment prospects resulting from Sarah’s attendance on the full time college course are indicated by her ability to work upon completion of the course. In this case, the net income from the new job acts as a financial value for this outcome. To model, we use the minimum wage for a young person.

Outcome 4: The indicator we use to demonstrate the improved living environment resulting from Sarah’s ability to furnish her empty flat is an increase in her self-reported well-being. While this is an important impact, we are unable to quantify it here.

Table 2.3: Value to Sarah (£s, p.a)

Stakeholder	Sarah				Total
Outcome	1	2	3	4	
Financial Proxy Value	4,906 ¹	163 ²	7,785 ³	-	12,854

- Notes:
1. Annual rental charge for a single bedsit. Source: Housing Corporation, Rents, rent differentials and service charges for housing associations, (2005)
 2. 1/3 of single person annual spend on food. Single person figure derived from family expenditure survey, where assumption is a family consists of 4 people. Source: <http://www.statistics.gov.uk/StatBase/Source.asp?vlnk=1385&More=Y>
 3. Annual income of an 18-21 year old receiving the minimum wage of £4.60 for a 35 hour working week (net of taxes).

Now we examine the benefits accruing to the second stakeholder identified in the impact map, namely the government:

Outcome 1: The first outcome identified for government is the same as that for Sarah. However, the value we assign this outcome is not the same⁶. We have assumed that a good financial approximation (for the government) for keeping Sarah off the street is the cost to the government of maintaining a person who would otherwise be homeless in a first stage hostel. Although this is the same outcome, it creates different value for Sarah and the state, so is not double counting.

Outcome 2: The improved diet of Sarah is also a benefit that accrues to government. Again, however, as in outcome 1, the financial value differs between the two stakeholders. In this case, we assume the cost to the government of Sarah having a poor diet is the cost to the state of the health implications of a poor diet. It might be the case that Sarah might be malnourished, or it may be the case that she might suffer from obesity. In this case due to data limitations for the former, we have chosen the latter as a proxy indicator.

Outcome 3: Sarah becoming employed helps the government to improve its tax: benefit ratio for her. The tax resulting from the work identified as one of Sarah’s outcomes is used as the financial proxy for this outcome, as well as the benefit saved.

⁶ The value assigned to the same impact can differ by stakeholder. This can be for a number of reasons. For example, individuals do not always consider the effect on society of their actions (the difference between private and social returns - externalities).

When combined we have a value of approximately £26,000 p.a. benefit to the government arising from the actions of the Law Centre (Table 4).

Table 2.4: Value to Government (£s, p.a)

Stakeholder Outcome Financial Proxy Value	Government			Total
	1	2	3	
	12,584 ¹	236 ²	3,083 ³	15,903

Notes: 1. six monthly cost of single attendance in 1st stage hostel. Source: St. Mungos
 2. Figure derived from £3.3bn annual cost of obesity: Health Select Committee Third Report (<http://www.publications.parliament.uk/pa/cm200304/cmselect/cmhealth/23/2302.htm>). UK population: Source: <https://www.cia.gov/library/publications/the-world-factbook/print/uk.html>. 19% of population obese, (average of male and female rates), Source: <http://www.annecollins.com/obesity/uk-obesity-statistics.htm>
 3. Outcome 3 for Sarah minus current tax free allowance and calculated at 20% tax rate plus under 25s job seekers allowance

Model and Calculate

A detailed analysis of how long it is reasonable to assume these benefits last is beyond the scope of this paper as is a detailed discussion around attribution and deadweight. However, we assume:

- Benefits last for one year⁷.
- Attribution of 75%. This figure assumes that 75% of the impacts experienced by Sarah are attributable to the Law Centre. Although other agencies are highlighted in the impact map as providing assistance, their role is different to that of the Law Centre. The other 25% recognises the support of Sarah’s father in introducing her to the Law Centre.
- Deadweight. Without benchmark data to compare whether the identified impacts for the stakeholders would have occurred in the absence of the Law Centre’s intervention is difficult. However, as mentioned earlier, the likely scenario in the absence of the Law Centre’s intervention would have been that Sarah would have become homeless and the identified positive impacts would not have occurred. We therefore set deadweight at zero.

Factoring in attribution and deadweight considerations, we arrive at combined socio-economic benefits (to the identified stakeholders) of approximately £20,000.

This figure then needs to be balanced against the inputs provided by the Law Centre. The costs to the Law Centre of providing the assistance to Sarah add up to £1,700:

- 20 hours spent on the case at an hourly rate for the advisor of £60
- Overheads of the Law Centre calculated at 40% of the hourly charge out rate.

The socio-economic benefit to cost ratio is in excess of ten-to-one. While this figure must be treated with caution due to the necessary assumptions required in the calculation, the ratio does give an indication of the potential scale of the socio-economic benefits produced.

⁷ Although research suggests the average length of time spent in a 1st stage hostel is 12 months (source, crisis), we assume a six-month period as it would be Sarah’s first period of homelessness.

In addition to the quantifiable impacts, the impact map also indicated an improvement in well-being resulting from improved living conditions, further reinforcing the socio-economic benefit to cost ratio.

Public Legal Education and Prevention

Another of the strands of the work of Law Centres is the public legal education (PLE) programmes that are run often in collaboration with other organisations. The aim of these projects is to educate individuals/groups (or agencies dealing with vulnerable individuals) of their legal rights to prevent the costly and distressing situations often seen in the individual case work of Law Centres.

Eviction Prevention

One such example of a public legal education programme is the Possession Prevention Project jointly run by Southwark Law Centre and Blackfriars Advice Centre between 2004 and 2007. The project was designed to reduce evictions by combining outreach, training, and policy initiatives. The policy element of the project is reviewed in the following section. We focus here on the training provision.

Training was provided to over 140 representatives from 39 organisations ranging from CAB, Age Concern, Southwark Disablement Association, and the local Acorn Tenants Association⁸. The cost of the training segment of the project amounted to approximately £122,000⁹. Evaluations of the training's effectiveness were undertaken two months after training, as well as upon completion of the project.

- Qualitative responses typically mentioned the quality of the content of the course and how it had improved the trainees' confidence as an advisor.
- Quantitative responses included 37% of respondents¹⁰ stating that they had prevented evictions or possession orders being made as a result of the training. The average number of evictions prevented per agency¹¹ was 4.5.

In the absence of detailed data on the actual evictions avoided attributed to the training programme, the methodology outlined in the previous example (though at a less detailed level¹²) allows us to consider the likely socio-economic benefits arising from the prevention of those evictions. The stakeholders involved in a general case of eviction include:

⁸ For a full list of organisations, see Appendix 4 of the PPP report at: <http://www.lawcentres.org.uk/publications/category/Public%20Legal%20Education/>

⁹ Source: Catherine Evans, Director Southwark Law Centre

¹⁰ 100 evaluation forms were sent to trainees upon completion of the project. Eight fully completed forms were received.

¹¹ Of those that responded with an actual figure for evictions prevented.

¹² Stakeholder engagement was restricted to communications with Southwark and Paddington Law Centre advisors as to the circumstances surrounding an average eviction case. The outcomes of the action (training) are therefore not directly connected to the cases attributed to the actual training programme.

- The potential evictees¹³
- Landlord
- Local Authority/Central Government

The impacts generally associated with these stakeholders in the case of an eviction are displayed in Table 2.5.

Table 2.5: Quantification of Impacts

Stakeholder	Outcomes	Indicators	Possible Proxies
Evictee	(1) Avoidance of losing home	Remains in property	Rent (willingness to pay to avoid eviction)
	(2) Avoidance of lost employment	Sustaining full-time work	Annual wage of minimum wage worker
	(3) Improved mental health	Self-reported improvement in mental health	Cost of providing treatment for depression
	Avoidance of worse living conditions from either staying on friend's floor or poor temporary accommodation	Lower risk of a reduction in well-being	-
	Avoidance of interruption to school	Non-deterioration in school performance	-
Landlord	(1) On-going tenancy	Avoidance of lost rental income	Lost rental income
Local Authority / Central Government	(1) Avoidance of emergency accommodation	Cost of re-housing family	Cost of provision of 2nd stage accommodation
	(2) Reduced mental health costs	Reduction in use of mental health services	Cost of providing treatment for depression
	(3) Avoidance of cost of support services for children	Cost of employing school councillor	Charge out rate for councillor
	(4) Avoidance of loss of tax and provision of welfare benefits	Potential evictee continuing to pay taxes	Tax receipts based on annual wage of minimum wage worker + JSA benefit

¹³ The majority of eviction cases dealt with by Southwark and Paddington Law Centres are families.

The outcomes identified above are of course by no means exhaustive. Each eviction case is different. For instance, we have identified above deterioration in school performance as an outcome for the child of the family under threat of eviction. However, there is the possibility that the effects of an eviction on a child could also result in separation from their parents and/or deterioration in their behaviour to the point that they become involved in criminal behaviour. In the case of the latter, then a host of additional costs to the state in the form of police and court time would need to be accounted for. For the parents, we have presented a decline in well-being (physical and mental) resulting from poor quality temporary accommodation or sleeping on friends' floors as an outcome of an eviction. This decline in well-being could include back pain (from sleeping on sofas), chest conditions (from overcrowded, poorly ventilated accommodation) and stress from the temporary nature of their accommodation conditions.

The cumulative quantified benefits for the selected stakeholders (identified above) of one prevented eviction are presented in Table 2.6.

Table 2.6: Value to Stakeholders of one avoided eviction (£s, p.a)

Stakeholder	Evictee	Landlord	LA / Government	Total
Outcome				
1	5947 ¹	4,848 ⁴	22,932 ⁵	
2	9,124 ²		2,085 ⁶	
3	2,085 ³		5,000 ⁷	
4			4,068 ⁸	
Sub-Total	17,156	4,848	34,085	56,089

- Notes:
- 2007/08 – 3 bedroom housing association accommodation for one year. Source: Rents, rent differentials and service charges for housing associations, Nov 2006.
 - Current minimum wage (£5.52) based on a 35 hour week for 52 weeks.
 - See note 6. While this is not an ideal proxy for the individual, we assume that the value to the individual is worth at least as much as the saving to the State.
 - Source: Chester & District Housing Trust <http://www.residentialandlord.co.uk/news1363.html>
 - Source: Paddington Law Centre. Cost for one year of 2nd stage accommodation for family of four.
 - Assumption of 50% chance of depression (of both parents) as result of eviction. Cost of direct services: Source: http://www.kingsfund.org.uk/publications/kings_fund_publications/paying_the_price.html
 - Educational Authority costs of anti-social behaviour among small children. Source: Knapp, M. Scott, S. Davies, S. The cost of Anti-social behaviour in Younger Children, Clinical Child Psychology and Psychiatry, Vol. 4, No. 4, 457-473 (1999)
 - Note 1 minus current tax free allowance and set at 20% tax rate + job seekers allowance for over 25s

To arrive at a socio-economic benefit to cost ratio, we first need to deduct the average time spent on an eviction case by an agency¹⁴. This figure is then multiplied by our assumption that only those organisations (that attended the training) that responded to the questionnaire prevented evictions, and all by the average number of evictions reported above – 4.5. This is then balanced against the cost of the training element of the PPP¹⁵. After the following assumptions:

- Attribution rate of 100% — this assumes that the legal education training is wholly responsible for the increase in the reported increase in eviction preventions.

¹⁴ The time allocated to housing cases by the Legal Services Commission and the hourly rate of Central London Law Centre is used as a proxy for the agencies that attended the training.

¹⁵ Approximately 50% of £244,000 budget for the 3-year project. Source: Director of Southwark Law Centre.

- Deadweight of 100% —that the attribution assumption mentioned above, would not have been achieved without the training due to e.g. a lack of alternative training options.

The socio-economic benefit to cost ratio is 6. This means that for every pound invested in the training programme, a socio-economic value of £6 was generated. The assumptions required to generate this figure means that it should only be considered indicative of the real level of benefit of investing in public legal education programmes. For instance, the attribution rate could potentially be lower than 100% - it may be the case that while the training improves the service provided by a number of the support agencies trained, it does not see the number of reductions in evictions assumed. Equally, however, benefits from eviction avoidance could be substantially higher if the additional costs identified qualitatively (both in table 2.5 and in the paragraph below the table) were realised.

Policy Work

In addition to the training outlined above, the Possession Prevention Project (introduced above) also included policy development. Elements of the policy work included:

- Influencing local authority policy and practice
- Rent arrears policy review
- Joining up local initiatives

Influencing local authority policy and practice

Links already existed between the two principal partners¹⁶ running the project and the local authority. However, the project further strengthened these links by:

- Having a designated housing lawyer (based in the Law Centre) tasked with liaison with the local authority. This acted as a vital bridge between case workers representing individual clients and the local authority. It allowed case workers the degree of input required to engage effectively with the local authority.
- Having a designated policy worker (based at the advice centre) conducting a similar role to facilitate regular contact between advisers and the local authority as well as provide input to the local authority policy review.

Rent Arrears

The project's input to the local authorities' rent arrears policy involved:

- Production and distribution of a comprehensive report detailing good practice recommendations based both on national initiatives and on suggestions provided by local advice practitioners.
- Presentation to the Council's rent income managers of the report's findings and methods of incorporating them into future guidance.

¹⁶ Southwark Law Centre and Blackfriars Advice Centre.

While the following recommendations from the report were largely accepted by the local authority, the policy has yet to be finalised by the local authority.

- Induction of new tenants regarding rent payments, income maximisation, housing benefit claims.
- Referring tenants to a holistic range of advice and social welfare services at the possession stage.
- Encouraging tenants to attend possession hearings and seek representation.
- Facilitation of a consistency forum with rent income officers to embed good practice in rent collection.

Joining up local initiatives

The hosting of an email forum by the Law Centre has resulted in the more effective gathering of policy information used in discussions with the local authority. Promotional materials created under the project raised the profile of the local advice sector through leaflets signposting the public to advice – one for defendants facing hearings at the County Court, and the other to be issued by council housing offices to tenants in rent arrears.

Socio-economic Impacts

The socio-economic impacts of the above detailed policy work are less immediately obvious than either the training part of the project or the individual case work highlighted in the first part of section 2. To use the methodology outlined in section 1, the identification of stakeholders, and the identification of the connection between activities and outcomes in an impact map is a more complex procedure. In addition to these issues, attribution and deadweight are also complicating factors because much of the policy work is geared towards improving the service provided by the local authority.

Having said all that, the potential impacts from the policy work identified above are significant. They include:

- **A reduction in the number of evictions**
 - Improved local authority housing policies have the potential to lower the eviction rate through more effective early identification of potential eviction cases. The socio-economic benefits of eviction avoidance (Tables 2.5 & 2.6) are clear and significant.
- **A reduction in the number of tenants experiencing rent arrears**
 - In addition to the financial penalties avoided through the avoidance of debt, there are likely to be declines in the number of individuals suffering stress/depression/mental illness as a result of the threat of eviction.
- **Greater efficiency of communication**
 - Better communication systems established by the project will lead to more efficient referrals, which will potentially have a cost saving for agencies. More concrete are the likely savings to individuals who could make significant resource savings (time and money) by being directed more quickly to the correct agency for assistance.

Section 3 — Recommendations and Conclusions

Identifying the full socio-economic value of the impacts that Law Centres provide is a difficult exercise. Impacts can be both quantitative and qualitative. Any economic value attributed to the work of Law Centres will, therefore, inevitably underestimate their true social value created. Having said that, it would be wrong to attribute the more diffuse and indirect benefits (of an intervention) solely to one organisation. The methodology employed attempts to address this issue through a formal process of stakeholder identification, thus providing greater rigour to the value estimates.

The estimates for the socio-economic benefits produced by the case studies reviewed in section 2 demonstrate the significant socio-economic value that Law Centres provide to the individuals they assist, and other stakeholders affected by the intervention.

- For the individual case study reviewed, the indication was of a socio-economic cost benefit ratio in excess of 10.
- The education programme produced an estimated ratio of around 6.

Both suggest a significant socio-economic return on the work of Law Centres. While they cannot be directly compared — benefit claims versus housing evictions and direct versus indirect assistance — the value of both forms of assistance is self evident.

It should be noted that cases involving homelessness (and use of emergency accommodation) — both those featured here — have a potentially high cost saving to the state. They cannot therefore be used as an accurate guide to the benefit cost ratio of other forms of assistance provided by Law Centres.

The limited scope of this paper did not permit a more detailed analysis of the socio-economic value of the many examples of legal education programmes that Law Centres run, nor the policy work they undertake. Similarly, we were only able to analyse one type of individual case work where many different types of assistance is delivered (see Individual Case Work in Section 1).

It is therefore a recommendation of the paper that impact measurement programmes are put in place for future education and prevention projects to accurately demonstrate the socio-economic value of one of Law Centres' principal strands of work. Similarly, more detailed evaluation procedures for individual case studies should be put in place to build a body of quantitative evidence of the impact of Law Centres' work.