

Tackling Loneliness with Transport Evaluation Appendix G

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Appendix G

Value for Money assessment findings

This Appendix supplements Appendix A by providing additional detail on how a ‘Value Game exercise’ was applied to collect qualitative data and use it to develop monetary valuations of outcomes for the four pilots. It lists the assumptions being made, as well as the estimated costs used to draw an average monetary valuation per service user and pilot. It further details the methodology used for conducting a sensitivity analysis of the findings.

Value for Money analysis

Findings from the qualitative data included monetary valuations of outcomes that can be attributed to each pilot. Combining this with administrative data on project costs enabled us to conduct a VfM assessment, which calculated metrics for assessing value for money that are recommended in the Green Book¹ (guidance issued by HM Treasury on how to appraise policies, programmes and projects). Data collected by pilots via the Common Minimum Dataset (CMD) was used to gather information about the overall number of pilot users, the number of infrequent users (those who engaged with pilots 1-4 times), and frequent users (those who engaged with the pilots over 5 times).

Having collected data on these three components (monetary valuations, administrative and CMD data), a VfM assessment for the four selected pilots, the findings of which are summarised in table G.1 below. Given the uncertainty about the size of aggregate benefits, switching values were calculated where possible. This is a value illustrating how large the monetised pilot benefit for beneficiaries would need to be for it to exceed the pilot costs.

¹ HM Treasury (2022), The Green Book. Available at: <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020>

Table G.1: Summary of VfM assessment findings

Pilot	Capital spend	Revenue spend (£000s)	Overall spend (£000s)	N users	N infrequent users (1-4)	N frequent users (5+)	Value for infrequent users	Value for frequent users	Deadweight	Estimated benefits (central scenario) (£000s)	Switching value
Bikeworks in London	£99,784.29	£249	£349	871	757	114	£160	£1,600	0%	£304	£1,840
Community Transport Association Derbyshire (CTA)	N/A	£498	£498	2141	1969	172	£62.00	£620	50%	£114	£2,700
WTC (Walsall)	N/A	£460	£460	2331	1931	400	£62.00	£620	0%	£368	
Living Streets Wigan	N/A	£497	£497	350	302	48	130	650	0%	£70	

The findings are also based on a series of overall assumptions and individual assumptions that had to be made for each pilot. The overall assumptions include:

- **Estimated costs from the Value Game exercise:** 3-day holiday in the UK (£459), a car (£3,556), monthly travel card (£80), new smartphone/tablet (£150).
- **Value for infrequent users:** focus groups tended to be biased towards frequent beneficiaries, meaning that it was not possible to directly collect data on the pilot value from infrequent beneficiaries. However, since participating beneficiaries claimed that the value of the pilot increases with more frequent use, it was assumed that the value for infrequent beneficiaries is one tenth of the value for frequent beneficiaries. For Living Streets, only infrequent beneficiaries participated in the focus group, and they similarly felt that the value of the pilot would increase for frequent use, so it was assumed that the value from frequent use is five times the value for infrequent beneficiaries.
- **Pilot activity and locality:** based on data from the focus groups, it was assumed that the pilot value for the Bikeworks and CTA pilots do not vary largely across the country. Therefore, it was possible to derive switching values for these pilots. However, the value of the Walsall Community Chat (WCT) pilot was associated with one specific activity (visiting the local community hub), while the value of the Living Streets pilot was associated with the activity in Wigan. Since the administrative data for these two pilots did not include activity or regional breakdowns, it was not possible to not derive a switching value for these pilots. While Living Streets also conducted similar activities in different areas, there were large differences in the average frequency of use of participants across areas. Therefore it was felt that there would be too much uncertainty about the size of benefits which would be constant across areas to estimate aggregate national benefits. Assumptions made for each individual pilot can be found table G.2 below, and table G.3 provides values of items drawn on in the valuation.

Table G.2: Assumptions made

Pilot	Valuation provided through the Value Game by focus group participants, along with assumptions made to derive a switching value	Average valuation per focus group participant
Bikeworks	Beneficiaries valued all outcomes together and, as all were frequent users, considered the value of their participation in Bikeworks as a whole rather than using the pilot a single time. Three participants agreed that Bikeworks was more valuable than a three-day holiday in the UK, one participant agreed that it is less valuable than a car, and one participant agreed that it is more valuable than a TV. Given the estimated costs of a TV, a car, and a three-day holiday, it was assumed that the pilot value for a frequent beneficiary is £1,600. Based on that a value for infrequent Bikeworks users was derived - a tenth of the value for frequent users or £160. It was assumed that the value of Bikeworks does not differ for users across the different localities in London where the pilot is based, and it was therefore possible to derive a switching value of £1,840. Based on this value, it is estimated that the benefits of the pilot (£303,520) are comparable to the pilot budget (£349,931).	£1,600 value for frequent users £160 value for infrequent users

Pilot	Valuation provided through the Value Game by focus group participants, along with assumptions made to derive a switching value	Average valuation per focus group participant
CTA	Beneficiaries valued all outcomes together and as all were frequent users of the CTA pilot, they all agreed that one CTA trip was more valuable to them than a 3-day holiday in the UK. Therefore, it is estimated that the pilot value for frequent CTA users is £620, and the value for infrequent users is one tenth of that (£62.00). A further 50% deadweight on the programme benefits was estimated, as insight from both stakeholder interviews and the focus group showed that a lot of the CTA trips would have taken place anyway in the absence of the pilot. From the focus group with Derbyshire participants, it appeared that CTA activities are similar across the country, and therefore it was possible to calculate a switching value of £2,700 for the pilot. Based on this value, the estimated benefits of the pilot (£114,359) are substantially lower than the pilot budget (£498,000).	£620 value for frequent users £62.00 value for infrequent users
WCT	Beneficiaries valued all outcomes together and as all were frequent users of the Let's Chat pilot, they all agreed that the pilot was more valuable to them than a 3-day holiday in the UK. Therefore, it is assumed that the value of the pilot for frequent users is £620, and the value for infrequent users is one tenth of that (£62.00). All beneficiaries were engaging predominantly with the Let's Chat community hub when describing the outcomes of the pilot and had limited engagement with the organised trips or mobile hubs. Therefore, it was not possible to derive a switching value for the Let's Chat pilot as the financial data available did not include a breakdown for the community hub activities.	£620 value for frequent users £62.00 value for infrequent users
Living Streets	Beneficiaries all used the activity infrequently. Three agreed that using the pilot one time was as valuable to them as a travel card for a month, and one felt that it was more valuable than a smartphone. Based on the costs of a travel card and a smartphone, it is estimated that the value of the pilot for infrequent beneficiaries is £130. This has been multiplied by five to derive an estimated value for frequent beneficiaries. Since all focus group participants engaged with the Wigan Living Streets pilot and the administrative data did not include a financial breakdown for the Wigan pilot, it was not possible to estimate a switching value.	£130 value for infrequent users £650 value for frequent users

Table G.3: Estimated costs of items

Item	Value	Source
3-day holiday in the UK	£459	https://www.budgetyourtrip.com/united-kingdom [accessed 15th November 2023]
A car	£3,556	https://www.nimblefins.co.uk/cheap-car-insurance/average-cost-run-car-uk [accessed 15th November 2023]
Monthly travel card Wigan	£80	https://tfgm.com/tickets-and-passes/28-day-bee-anybus-adult [accessed 15th November 2023]
New smartphone/tablet	£150	https://www.which.co.uk/reviews/tablets/article/how-to-buy-the-best-tablet [accessed 15th November 2023]

Sensitivity analysis

Given uncertainty around value per frequent and infrequent beneficiaries, sensitivity analysis was conducted in scenarios where the value per user is approximately a third lower or a third higher than the central estimate of value from the focus group (rounded to the nearest 10 for frequent users). Please see the sensitivity analysis results summarised in table G.4. The aggregate benefit was calculated based on the number of frequent/infrequent users per pilot following the same methodology as the main analysis summarised in table G.1 above.

Table G.4: Sensitivity analysis results

	Value per frequent user under alternative scenarios			Value per infrequent user under alternative scenarios			Deadweight	Aggregate benefit		
	Low	Central	High	Low	Central	High		Low	Central	High
Pilot										
Bikeworks in London	£1,070	£1,600	£2,130	£107	£160	£213	0	£202,979	£303,520	£404,061
CTA Derbyshire	£410	£620	£830	£41	£62	£83	0.5	£75,625	£114,359	£153,094
WCT (Walsall)	£410	£620	£830	£41	£62	£83	0	£243,171	£367,722	£492,273
Living Streets Wigan	£430	£650	£870	£86	£130	£174	0	£46,612	£70,460	£94,308

