



**Pro Bono Economics report for Chance UK  
Executive Summary**

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**November 2013**

## **1. Introduction**

Chance UK is a London-based charity which delivers one-to-one mentoring to primary school children who have been referred to them due to conduct difficulties. The charity's aim is to help children improve their behaviour over the course of the mentoring, with a view to reducing anti-social behaviour and youth crime in the long term.

Evaluations have found that children who completed the mentoring programme with Chance UK had a statistically significant improvement in their behaviour. In this paper we aim to take that analysis one step further and consider the potential impacts that an improvement in behaviour could have on life outcomes and the value of those improvements.

The report relies on two main sources for cost evidence: the literature which considers life outcomes for people who had conduct problems as children, and survey and administrative data on the use of services such as hospitals and schools, the prevalence of conduct problems and the involvement of different groups in crime.

In all areas the final estimates presented are designed to be conservative but realistic estimates of the monetary value of behavioural problems in childhood. All figures are presented in net present value terms and 2010 prices, and are rounded to the nearest hundred where appropriate. The assumptions and caveats around the estimates are set out in Annex A in the report.

## **2. The prevalence of conduct problems in young children**

A 2004 report carried out by the Office for National Statistics on behalf of the Department of Health surveyed the prevalence of mental disorders in children and young people in the UK. The report shows that conduct disorder is the category of mental disorder most prevalent in both boys and girls in the age range 5-10 years, the most relevant for the work of Chance UK. Between 1999 and 2004 there was a decrease in prevalence of mental disorders for this younger age group but, within that, an increase in the prevalence of conduct disorders from 4.6 per cent to 4.9 per cent.

The paper will refer to children in both more and less severe problem groups as having conduct problems. The term conduct disorder is used in the paper to refer explicitly to the more severe group. Costs arising from conduct problems and conduct disorder are not always separated in the literature. Where costs for both groups are provided, we use the weighted average of both groups.

## **3. The costs of conduct problems in children**

### **Costs to public services**

The available evidence suggests that conduct problems in young children lead directly to an additional £22,000 in costs, per child, between the ages of 10 and 28. A breakdown of these costs is:

Education-related public services - £5,700: these costs arise through additional remedial help at school, being permanently excluded, social workers for truancy, and adult literacy classes.

Increased use of the criminal justice system - £10,200: this is based on the conservative assumption that there are no additional costs incurred past the age of 28.

Public health services - £1,000: between the ages of 10 and 28.

Social care services - £2,800.

Benefit payments - £2,200: we treat benefit payments as a cost to the public purse but a benefit to the individual, so that in the overall calculation they cancel each other out.

Domestic abuse and divorce services - £100: between the ages of 10 and 28.

### **Costs to individuals**

We estimate that the total cost to individuals arising as a result of conduct problems in childhood is £142,800 per child over their lifetime. This breaks down into:

Reduced educational attainment - £12,700.

Additional crime - £90,700: from stolen or damaged property, crime prevention measures and emotional impact.

Benefit payments – (£2,200): benefit to the individuals offset by the cost to the public purse above.

Family costs - £41,600: from damaged property, missed work and additional time needed for household tasks.

## **4. The effectiveness of mentoring programmes in reducing conduct problems**

A range of evidence on the effectiveness of mentoring programmes for young people exists, however, much of this work is focused on programmes in the USA and the findings may not be directly transferable to UK programmes. Evidence from UK programmes is considerably sparser, with the reports that do exist lacking robustness. A New Philanthropy Capital review in 2007 concluded that traditional mentoring programmes with the most chance of success were those that met six key criteria. An overview of the Chance UK programme, showing how it meets these different criteria, is included in Annex B.

Specific evaluations of Chance UK have found that a high proportion of their children leave the programme with improved conduct scores, many of which indicate the children no longer have conduct problems. However, without a control group – to identify outcomes which would have occurred even if the child had not been part of the Chance UK programme (the counterfactual) - and follow up data - to assess the lasting impact - a robust conclusion of the impact of the programme is not possible. For this reason, the approach taken here is to estimate how many children would need to avoid the negative outcomes and costs associated with conduct problems and disorders, as a direct result of Chance UK's mentoring programme, for the avoided costs to equal the cost of delivering the intervention.

Chance UK spends an average of £4,000 per child mentored. Based on this, and on the potential benefits to public services and individuals through avoidance of the costs estimated in section 3, Chance UK would break even in terms of an economic cost-benefit analysis if they were successful in ensuring that one out of every 42 children they mentored avoided the negative outcomes and costs associated with conduct problems, over and above those who would have improved anyway. This is a success rate of less than 2.5 per cent above the counterfactual. An alternative way of putting this is that Chance UK's work would have to reduce negative outcomes resulting from behavioural problems by an average of 2.5 per cent compared to the counterfactual across all the children it mentored. In order to break even in terms of avoiding costs to public services alone, the success rate would need to be 20 per cent compared to the counterfactual.

## **5. Conclusions**

There is a substantial amount of evidence suggesting that conduct problems in childhood result in negative outcomes in later life at a cost to both public services and individuals. In this paper we have calculated an updated conservative estimate of those costs based on the available literature and data.

In order to confirm the true extent of the benefits of Chance UK's work, we recommend that data is collected to allow an assessment of the lasting impacts of their mentoring programme which can be compared with a control group of children who do not receive that support.