

Cost Benefit Analysis of Address and Street Data

for Local Authorities and Emergency
Services in England and Wales

A large, stylized number "42" centered on a dark blue background. The "4" is white with a yellow triangle on its left side, and the "2" is dark blue with a yellow vertical bar on its right side.

GeoPlace commissioned an independent report on the financial impact of council produced address and street data on local authorities. The purpose of the research study was to provide a cost/benefit evaluation of the impact of the address and street data that GeoPlace collates from local authorities across England and Wales.

This document is an abridged version of the full 47 page report which is available at <https://www.geoplace.co.uk/-/geoplace-identifies-impressive-4-return-on-every-1-spent-on-council-address-and-street-information>

Each planning council has a Local Land and Property Gazetteer (LLPG) and a Custodian responsible for its maintenance. Likewise, each highways authority has a Local Street Gazetteer (LSG) and Custodian. The report focussed on the financial benefits for the council of knowing exactly where people and property are located for service delivery, and integration. Bringing services together saves money as it avoids duplication and provides greater intelligence about property at a granular level.

Cost Benefit Analysis

The report authors, Consulting Where, undertook a rigorous Cost Benefit Analysis (CBA) - the most appropriate technique for deriving an estimate of Return on Investment (RoI) which can be expressed as "for each £1 Invested the return is £xx". Treasury Green Book advice is that CBA is the most robust approach for projects where results are as real and tangible, as is the case with this report.

The CBA collated all of the costs and the quantifiable benefits, adjusted for the value of money over time i.e. returns achieved at some future date are discounted to take into account the opportunity cost of having made an alternative investment.

Key findings from the report

Government investment in LLPGs and LSGs over the period 2010-5 has yielded a net benefit of approximately £86m in savings from reduced data duplication and integration, improved tax revenues, channel shift and route optimisation in waste management

Future net benefits from the same applications are likely to be in the region of £200m over the next 5 years. Based on the current rates of adoption, this represents a Return on Investment (RoI) or cost benefit ratio after discounting of 4:1

The return could be significantly higher if barriers to adoption, particularly access to funds, staff retention and improved national collaboration are addressed. We estimate this could be worth additional benefits of £20m over the next 5 years

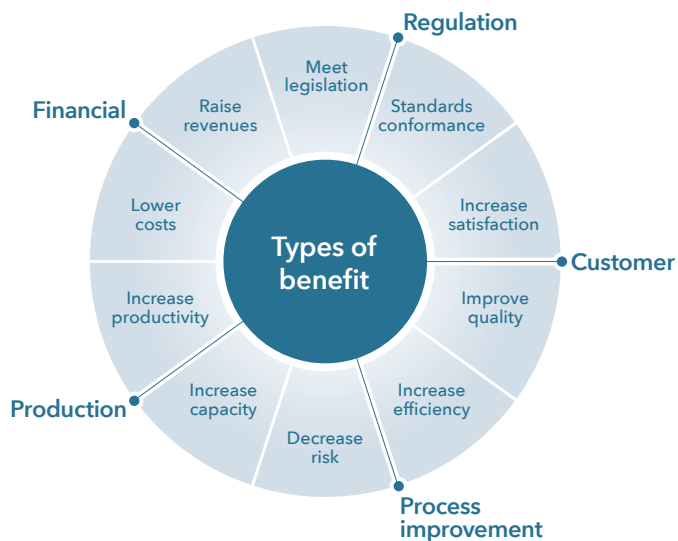
National collaboration initiatives with potential to emulate the Department for Communities and Local Government (DCLG) waste partnership include shared gazetteer maintenance services, enhanced analysis for education, social services, public health and emergency services

Realised benefits & return on investment

The report provided particular analysis of the three most widely implemented use cases of the LLPG and LSG to provide estimated net realised benefits:

1. Benefits from data sharing and integration using the UPRN, such as reduced data entry and automatic e-forms population.
2. Revenue and Benefit Analysis reducing benefits fraud and generating additional council tax revenue
3. Waste Management improvements through route optimisation
4. Channel Shift whereby web services are reducing face to face and telephone contact

The CBA is expressed in financial terms. However, associated qualitative benefits discovered during the study were also reported. These qualitative benefits, although difficult to express in financial terms, may be politically, socially or environmentally significant. A structured segmentation of benefit types is illustrated below.



Using the data within the business

The report illustrated a number of examples of how the gazetteers are used within different service areas within councils to gain a financial return or make savings in service delivery.

- Planning and Development - neighbour notification, local plan revision, planning consultations, local land charges
- Highways and Transport - streetworks planning / permits, optimising inspection routes. gritting, service interruption notices
- Revenue and Benefits - Identifying fraud, missing council tax or non-domestic rates collection
- Corporate Services - Strategic planning, executive dashboard, gathering evidence for decision making, members support
- Social Services - troubled families, home visits, neighbourhood analysis
- Street Scene - reporting problems, graffiti, work order management, management reporting
- Property Services - asset management, property sale / purchases, neighbour notification, shared office space
- Environmental Services - illegal tipping, commercial premises licensing
- Customer Services - identifying location, analysis of calls, CRM improvement, service interruption notices, opinion surveys
- Waste Management - refuse collection, recycling, minimising land fill, garden and trade waste
- Public Safety - including contingency planning, evacuation plans
- Education – student registration, school place allocation, school transport, catchment areas
- Electoral Management - electoral roll management, polling district demarcation, polling station
- Public health - joint strategic needs assessment, drug and alcohol services, NHS liaison
- Emergency services - fire safety checks for vulnerable people. co-despatch trials between ambulance and fire services

Another £20 million

The report estimated that the ROI could be increased by circa £20m over the next five years through:

Intercepting the digital transformation agenda

Currently almost all available effort in local authorities is spent maintaining and improving the quality of data. Limited access to additional resources, in many cases within the business function but in other cases from within mainstream IT, would have potentially significant impact on the rate of integration and thereby accelerate the flow of benefits.

Engaging senior management

At individual councils there is a need for better C-level briefing materials, this was recently underscored during discussions at the GeoPlace conference – too often it was observed that anything concerning gazetteers was passed unseen from CEOs to custodians, defeating the object of targeting them.

Working at a national level with partners

A number of potential partners who might help reduce barriers at a national level by working collaboratively together were identified. Principal amongst these are Nesta, Socitm and Solace.

Quick wins

Identifying examples of authorities where individuals have achieve success with short-term impact but requiring limited resource. Demonstrable success can then be used to build the case for more far reaching projects.

Building national models

Collaborating with DCLG's digital local success on waste management as a national model for other use cases.

Barriers to realising economic benefits

A part of the report deliverable, the authors were asked to outline the barriers to ongoing economic realisation and concluded:

- The lack of funds and fully occupied staff are the main constraints
- The lack of management awareness is a contributing factor
- Many of the narrative comments related to the impact of software limitations

Next steps

To overcome the barriers to wider usage and realise the additional ROI, GeoPlace will undertake the following work programme:

- Sustained multi-facet marketing campaign based on the results of this study. Key messages:
 - Substantial benefits realised for past investment
 - Need for current staffing levels and product quality to be maintained in order to realise greater benefits going forward
 - Multiple opportunities for enhanced benefits tied to national efficiency initiatives, such as Troubled Families
- Enhanced collaboration with bodies working at a national level such as Audit Commission (NFI), Socitm CIO Council, DCLG and Nesta
- Promote best practice examples across a wider range of business functions
- Work with Ordnance Survey to promote use of AddressBase for local authority functions where out of area coverage required.
- Seek to replicate DCLG schemes such as DCLG Local Digital Project - Local waste service standards for other use cases
- Establish KPIs that allow realised benefits to be regularly (annually quantified)
 - Extend to improvement schedules to allow collection of data to support measuring these KPIs

The full 41 page report is available at www.geoplace.co.uk and bit.ly/Gaz4_1



GeoPlace is a public sector limited liability partnership between the Local Government Association and Ordnance Survey

