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The logo for The Centre for Social Justice, featuring the text "THE CENTRE FOR SOCIAL JUSTICE" in white, uppercase letters on a dark red background.

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PRESS RELEASE FROM THE CENTRE FOR SOCIAL JUSTICE
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New watchdog to apply results-based check on state spending programmes

Iain Duncan Smith announces new inquiry into ways of curbing wasteful spending

Radical new ideas for curbing Britain's soaring levels of public spending and delivering genuine value for money in Government programmes will be outlined today (Monday February 8) by Iain Duncan Smith, the former Conservative Party leader.

The aim is to create a new way of evaluating programmes such as the New Deal for the young jobless or measures to curb drug addiction and assess whether they are delivering results commensurate with the money spent on them.

This could lead to the creation of a new official spending watchdog charged with evaluating new and existing spending programmes and assessing whether they deliver a social and financial return on the taxpayer's money committed to them. The new Social Return on Investment (SROI) watchdog would be modelled on the existing National Audit Office, but, critically, it would scrutinise a spending programme before it was implemented.

Projects that fail to pass the social return on investment test would be vetoed. The watchdog would also be invited to examine existing spending programmes and those that prove to be failing to deliver results would also face the axe.

Return on investment assessments are routinely used in the business world but are not applied to programmes sponsored by local or national government.

Details of the new move to apply business disciplines to public spending will be announced by Mr Duncan Smith at a media launch in Westminster today (Monday) of the new programme of work by his think-tank, the Centre for Social Justice.

It is part of efforts by Mr Duncan Smith and the CSJ to step up their programme to repair “Broken Britain” and it will be one of a raft of new policies designed to tackle deep-seated social problems.

At the launch, Mr Duncan Smith will disclose that he has asked his think-tank, the Centre for Social Justice, to draw up proposals to cover key areas of national failure. They include care of the elderly, youth justice, mental health, community cohesion and value for money in public service provision.

Inquiry teams led by experts in the field have been formed and will report back to Mr Duncan Smith and the CSJ.

The SROI proposal, to be developed by a team of experts commissioned by the CSJ, is modelled on a similar scheme operating in Washington State in the USA.

The Washington State organisation is run by Steve Aos, who has created a process by which it is possible to evaluate programmes before they are implemented in government and calculate their return on investment. This is normally calculated as a return over 5 years.

To do this they gather all the data available from any work already carried out, evaluate the quality of the claims and then carry out a standard assessment of whether or not a particular programme will ultimately save the state money and transform lives if implemented. The programme they have created enables them to apply a standard formula to each programme so that they are assessed in the same manner.

The body is independent of Government and reports to the legislature. If having assessed a programme they consider it does not have a positive SROI, then it cannot be implemented.

When it was first set up the organisation also reviewed all existing programmes and calculated the SROI for them all. As a result the legislature was able to cut programmes that did not have a positive SROI and save the state a great deal of money.

For instance, they reviewed a programme that had unemployed people coming in to Job Centres to sign on every week as opposed to every two weeks previously. It had been assumed that this made the unemployed more responsive to job vacancies.

However the organisation calculated that over the period in operation it had not increased the flow back to work and had in actual fact cost money in extra staff. The Washington watchdog recommended the programme be cut and it was. A recent review of drugs courts showed a positive SROI and these are now being rolled out.

Mr Duncan Smith commented: “The British Government is spending billions of pounds every year on a host of programmes intended to tackle social problems. Educational programmes for schools have been developed to tackle teenage pregnancy and drug abuse and training and back to work programmes have been developed for the long term jobless. Yet despite the billions of pounds spent Britain

continues to have some of the highest levels of teenage pregnancy and drug and alcohol consumption of all developed countries. Nearly 6 million working-age people remain jobless and around two thirds of prisoners reoffend.

“If the Washington approach could be made to work in the UK, we could save the taxpayer a great deal of money and get real results from our social programmes.”

For media inquiries, please contact Nick Wood of Media Intelligence Partners Ltd on 07889 617003 or 0203 008 8146 or Alistair Thompson on 07970 162225 or 0203 008 8145.

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NOTES TO EDITORS

The Centre for Social Justice is an independent think tank established, by Rt Hon Iain Duncan Smith MP in 2004, to seek effective solutions to the poverty that blights parts of Britain.

In July 2007 the group published *Breakthrough Britain. Ending the Costs of Social Breakdown*. The paper presented over 190 policy proposals aimed at ending the growing social divide in Britain.

Subsequent reports have put forward proposals for reform of the police, prisons, social housing, the asylum system and family law. Other reports have dealt with street gangs and early intervention to help families with young children.