

# Appendix to the Economic Case – Assumptions

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## 1.1 Introduction

This appendix to the Economic Case sets out the assumptions which underlie the estimates of economic benefits.

## 1.2 Cost savings associated with lower crime / ASB

Estimates based on:

- Annual number of ASB / minor crimes in local area – 535 (data.police.uk)
- Assumed reduction in incidents under each intervention case (25% in option 4, 50% in all other options)
- Average cost per incident of ASB - £264 (NAO, updated from 2003 figure)
- 10 year persistence period
- 50% additionality applied

## 1.3 Labour Supply

Estimates based on:

- 10% of new jobs taken up by new entrants to the labour market
- 40% welfare impact (WebTAG / MHCLG FHSF guidance)
- 10 year persistence period
- GVA per job of £48,591 (ONS data - East Derbyshire)

## 1.4 Residents into employment wellbeing benefits

Estimates based on:

- 35% of net new jobs assumed to be taken up by unemployed people
- £11,180 wellbeing benefit from moving into employment (HACT, amended to 2020 prices)
- One-off benefit
- 50% additionality applied

## 1.5 Wellbeing from participating in sport

Estimates based on:

- £12.25 wellbeing benefit per participation in sporting activity (Fujiwara 2014, converted to 2020/21 prices)
- Number of participants from Throughput sheet on revenue model
- Benefits estimated over a 10 year period
- 50% additionality applied

## 1.6 Health benefits (cost savings and other health benefits)

Estimates based on:

- Number of regular users (at least once per week) derived from Throughput in revenue model

- Lifetime health benefits from participation in different sporting activities taken from Sport England's: The economic value of Sport - LOCAL Model
- 50% additionality applied

### **1.7 Wellbeing benefits from the availability of local advice**

Estimates based on:

- 860 users per annum expected to be provided with advice at the new advice centre within the Hub
- £1,977 benefits per person advised (HACT's Social Value Bank)
- Benefits estimated over a 10 year period
- 10% additionality applied (based on estimate from Citizens Advice)

### **1.8 Carbon Savings**

Estimates based on:

- Cost per tonne of carbon from current (2020) UK government guidance on the social value of carbon
- Benefits estimated over a 25 year period, in line with BEIS guidance
- 75% additionality applied

### **1.9 Distributional Analysis**

Estimates based on:

- Distributional weight After Housing Costs of 1.1 (based on equivalised disposable household income and welfare weights (the estimate of the marginal utility of income))