

Can we get our heads around assessing the monetal value of the services we offer? Proving our worth through cost-benefit analysis could lead to long term funding in the Third Sector

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What is counselling worth?

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As a psychotherapist and Director of Youth Talk, a free counselling service for young people in St Albans, I've struggled for 10 years to find renewable income for my much-loved charitable organisation.

Youth Talk has had, since its foundation in 1997, considerable success in attracting project finance, grants and generous private support from benefactors, grateful users, and their families. Yet, to date, we have not secured a single significant longer-term, renewable, commissioned contract – a sadly familiar experience in the voluntary sector. Indeed, without staunch support from National Lottery sources, Youth Talk's vital and much valued service to young people in this locality would have been long gone. So since official advice is that commissioning is the key to sustainability for Third Sector organisations, what can be going wrong?

It's not the commissioners

It's sometimes tempting for the voluntary sector, with its passionate sense of mission, to point the finger at commissioners, health officials, and policymakers when things go awry. But surely we'll fail to create the new commissioning culture desired on all sides if we adopt polarised, us-and-them positions?

For the truth is that, although Youth Talk has faced closure three times in the last three years and suffered great anguish on each occasion that our precious counselling services have been under threat, it isn't really our local commissioners' fault... The statutory officials with whom we deal in Hertfordshire are a friendly, professional and progressive lot. They know that my agency works hard to produce rigorous evidence of the outcomes of our service delivery. So Youth Talk's precipitate loss of £17,000 worth of income from Crime and Disorder sources prompted much frustrated reflection. How could we respond to the challenge of the CDRP (Crime and Disorder Reduction Partnerships) commissioners that we had failed to provide sufficiently specific evidence that we reduce crime and disorder in our area? Their charge seemed to be: 'OK, you've convinced us that you do good clinical work with young people; but you haven't shown that your counselling results in less criminal and anti-social activity in this locality.'

After a short time of blowing off steam about the restrictiveness of overnarrowly- focused funding streams, I had to admit they had a point. How might we respond?

Putting a figure on it

It occurred to me that a possible way forward might be to consider the value of counselling from a social cost benefit viewpoint.

How much unnecessary expenditure is saved by a successful counselling intervention? Supposing it were possible to calculate the extent to which resources are saved within the Criminal Justice system when sound preventative counselling work seemed to have prevented (say) an arrest, or a court appearance, or the perpetration of criminal damage: perhaps such a calculation could strengthen our case with funders. Perhaps it could be replicated across other areas in which counselling provides an effective preventative intervention.

For example, what are the savings to the public purse when a client's somatic condition steadily disappears, removing the need for serious medical treatment? Or where a therapeutic intervention rescues an undergraduate from dropping out of university, thus preventing the waste of resources in Higher Education (not to mention also preserving talent which society needs)? Or when a formerly suicidal and longterm unemployed client works through his difficulties and gets a permanent job, thus relinquishing his benefit payments?

In fact... what is counselling worth? If we could discover an answer to this question, it might greatly strengthen the case for sustained investment in preventative services.

As a start, I consulted David Evans, manager of Cross- Herts Community Counselling (CHeCC), the umbrella consortium founded by Youth Talk to promote the interest of community counselling agencies in Hertfordshire. His response was to facilitate the creation of a broader research partnership with our Herts statutory sector commissioners (with whom CHeCC works closely to deliver high-quality community counselling services in complement with school-based statutory counselling services). It was agreed that our partnership should commission some academic consultancy on the economic value of counselling. And so it was that I was able to approach Ian Black and Roger Seaton, academics associated with the University of Cranfield, and experts in the field of social cost benefit analysis.

Their response was helpful and enthusiastic. It seems that although there has been useful research into the social cost of mental health disorders, and the Layard Commission amongst others has given weighty support to the importance of psychological therapies, there has – to date – been no comprehensive account of the extent of savings to the public purse which professional counselling might effect. We would suggest that this important gap in knowledge is of particular significance for proponents of the deeper therapies delivered by agencies such as ours (Youth Talk is predominantly psychodynamic in orientation, and we are puzzled by Layard's damaging overemphasis on CBT).

So what is social cost benefit analysis, and how might it be of particular value to those interested in the sustainable delivery of psychological therapies?

Cost benefit analysis

Cost benefit analysis seeks to place a monetary value on both the costs and benefits of outcomes from treatment. In terms of counselling treatment, it would be of especial interest if this account of its benefits were to comprise the value to the client, and not just the value in terms of savings to the public purse. For a service to young people, some of this personal benefit might well spill over into broader benefit to their family, partners, friends and peers, particularly in the case where disturbance was being manifested in the form of damaging or antisocial, acting-out behaviour.

For technical reasons we were advised only to consider the limited scope of benefits within a single year which might accrue from counselling treatment. These benefits are considered as a net value, so any monetary value placed upon the counselling programme has to have subtracted from it the cost of providing the counselling in the first place (on a full-cost recovery basis).

The process of cost benefit analysis in the broader health service consists of several components. Firstly, there has to be an evaluation system or clinical scale which measures the difference in the condition of the client before and after treatment. In the case of Youth Talk and of CHeCC, the clinical evaluation instrument already used is the CORE evaluation system, which we have operated for some years. This psychometric instrument or 'clinical scale' can be used in cost benefit analysis to identify changes wrought by the therapeutic programme.

The next component would be to link the movement within the clinical scale with personal and social outcomes – the improvement in the quality of life of the individual, the possible improvement in the quality of life of immediate family members, and any changes in other costs or welfare of other individuals and institutions in society (eg a reduction of visits to the GP).

The final stage is, having determined the unit cost of changes in quality of life and other social outcomes, to multiply the various social outcomes by their unit costs. Thus we can determine the total benefits of treatment, which can then be considered in the light of the total cost of treatment.

Past scholarship assists us in making headway with some of these elements of social cost benefit analysis specifically in our area of psychological therapies. For example, a well-known study by Scott¹ traced a set of social outcomes associated with children diagnosed as having 'conduct problems' or 'conduct disorder', and established that if not treated by the age of 10, these conditions would cause considerable longer-term costs to the public purse in the fields of child care, education, social security, health and criminal justice. This research did not attempt to consider the change in the quality of life of individuals, but a subsequent study by Mistral² enriched the possibilities of doing so.

Subsequently, Layard produced important evidence of the link between treatment and clinical outcome, citing American research which demonstrates the superior effectiveness of a talking cure as opposed to 'clinical management' (the relapse rate after recovery from depression standing at 40 per cent for discontinued CBT, as opposed to 90 per cent for discontinued treatment via psychotropic medication). Layard went on to consider the social costs of not treating depression³.

Here, then, we have authoritative figures being placed on the costs to society of not providing counselling and similar early intervention services where they are needed. Layard went on to consider the impact on the quality of life, taking advantage of a concept known as a 'QALY' (ie 'qualityadjusted life year'), which is useful across the spectrum of planning for health and other social policy development. As a unit utilised for such purposes, a QALY refers to an improvement that lasts exactly one year.

For cost benefit analysis, we need a monetary estimate of a QALY. Here the picture becomes a little more ambiguous because different limbs of government vary in the value which they place upon a QALY. The Home Office, for example, puts it at about £80,000; but NICE places it at £20,000-£30,000.

Layard settled on £30,000, from which they were able to arrive at an estimate of £3,310 as the one-year value to the client of the alleviation of depression. Our consultants proceeded to link improvements in a client's CORE score after counselling with its monetary value as suggested by the QALY, in terms of improvement to the client's quality of life.

When this benefit of treatment to the client is added to the prevented social costs, it becomes possible to arrive at quite wellsubstantiable (if conservative) estimates for the overall economic value of counselling. But the tricky bit is to uncover empirical evidence concerning the quantification of social outcomes (eg which events or actions are actually changed by counselling interventions).

It is probably not possible to completely eliminate a subjective element in calculating the economic value of counselling. However, we became excited about the possibility of establishing economic value up to a bottom line, and within a reasonable degree of probability.

Gathering evidence

Our consultants suggested that counsellors and reception staff could be responsible for recording any information that might indicate a prevented or ameliorated social cost outcome, whilst continuing to operate CORE and other existing evaluation measures. We expect to accomplish this without distorting clinical process. For example, if even in a casual throwaway remark on arrival at the Centre a client comments, 'I get different treatment now I'm coming here from when I used to go to the Community Mental Health Team,' we can assume with a reasonable degree of confidence that the client's counselling is preventing ongoing psychiatric consultations – at least for the time being. Or if a client comments, 'Now I'm feeling better, I've stopped taking the Fluoxetine,' we are entitled to assume that prescription costs are being prevented. Or a client might observe in a session that she is enjoying college now, and will persist in taking her exams after all – so an expensive waste of Further Education provision will have been prevented. Such information can be recorded for a reasoned subsequent professional estimation of what might be the beneficial social outcomes of the therapy.

It is to be noted that the procedure outlined so far feeds into a calculation of value on the basis of information actually known via the client, and is hence relatively objective in the sense that it doesn't depend on the counsellor's (possibly) biased or over-enthusiastic judgment.

But we might take the process a step further and estimate value on the basis of what a counsellor might deduce from client material – a little more subjective, but nevertheless potentially valid and useful information. For example, think of a client who has been acting out his disturbance by getting violently drunk at the weekend and repeatedly getting into fights; who has been in several near-miss scrapes with the police; and whose friends were arrested on a recent evening, although he managed to dodge around a corner and 'escape'. If his counselling gradually leads to a diminution and eventual cessation of his unruliness, his counsellor might feel entitled to claim that the work has very likely prevented an expensive engagement with the criminal justice system.

If the counsellor is not completely sure that this is a sound estimation of what might have happened, she may wish to claim a 70 per cent likelihood for the counselling having prevented the damaging outcome. An adjusted economic value can then be placed on the predicted putative outcome deemed to have been averted.

The headings for recording and considering such information are grouped into six areas: Quality of Life, Employment, Health Sector, Care System, Education System, Justice System.

The final stage for the whole social cost benefit analysis process is the arithmetic that combines the quantified social outcomes (eg reduced visits to the GP as a result of counselling) with unit costs (eg £s per visit to the GP) and adjusts them for duration and timing. To this value is added the gains to the client in terms of a better quality of life, as calculated from the CORE measurement related to the QALY. So at the point of ending clinical work with a client, the counsellor together with the counselling coordinator fills in a questionnaire (devised by our consultants) linked to a spreadsheet which calculates the economic value of the work.

With such social cost benefit evaluation procedures, much important information which could reveal economic value will of course never come to light in the first place. But is the same not true for many kinds of research? Our suggestion is that it is valid to investigate the bottom line for calculating the economic value of effective preventative work through community counselling. It's our view that if within such research we can start to lay bare even a minimum likely effect in terms of social outcomes that are changed by a counselling intervention, then we shall begin to produce evidence that makes a stronger case for sustained investment in preventative and early-intervention counselling services. What is counselling worth? Let's find out!

● *Steve Seaton is Director of Youth Talk and Founder of Cross-Herts Community Counselling. Ian Black and Roger Seaton are Academic Consultants to CheCC.*

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