

## Research into the financial benefits of the Supporting People programme, 2009



## Research into the financial benefits of the Supporting People programme, 2009

Tom Ashton  
Claire Hempenstall  
Capgemini

July 2009  
Department for Communities and Local Government

This study was carried out by Tom Ashton and Claire Hempenstall at Capgemini. The views in this report are those of the authors and do not necessarily represent those of Communities and Local Government.

Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU  
Telephone: 020 7944 4400  
Website: [www.communities.gov.uk](http://www.communities.gov.uk)

© Crown Copyright, 2009

*Copyright in the typographical arrangement rests with the Crown.*

*This publication, excluding logos, may be reproduced free of charge in any format or medium for research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the publication specified.*

Any other use of the contents of this publication would require a copyright licence.  
Please apply for a Click-Use Licence for core material at [www.opsi.gov.uk/click-use/system/online/pLogin.asp](http://www.opsi.gov.uk/click-use/system/online/pLogin.asp), or by writing to the Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU

e-mail: [licensing@opsi.gov.uk](mailto:licensing@opsi.gov.uk)

If you require this publication in an alternative format please email  
[alternativeformats@communities.gsi.gov.uk](mailto:alternativeformats@communities.gsi.gov.uk)

Communities and Local Government Publications  
Tel: 030 0123 1124  
Fax: 030 0123 1125

Email: [product@communities.gsi.gov.uk](mailto:product@communities.gsi.gov.uk)  
Online via the Communities and Local Government website: [www.communities.gov.uk](http://www.communities.gov.uk)

July 2009

Product Code: 09HCS06000/2

ISBN: 978 1 4098 1603 4

# Contents

<b>Chapter 1 Executive Summary</b>	<b>5</b>
1.1 Background	5
1.2 Approach	7
1.3 Findings	9
1.4 Model sensitivity	15
<b>Chapter 2 Background and approach</b>	<b>17</b>
2.1 Document structure	17
2.2 Context and objective	17
2.3 Overall approach	18
2.4 Data gathering approach	25
2.5 Financial modelling approach	27
<b>Chapter 3 Findings</b>	<b>37</b>
3.1 Benefits from Supporting People	37
3.2 Socially excluded groups	37
3.2.1 Women at risk of domestic violence	37
3.2.2 Homeless families in settled accommodation	42
3.2.3 Homeless families in temporary accommodation	47
3.2.4 Homeless single people in settled accommodation	51
3.2.5 Homeless single people in temporary accommodation	56
3.2.6 Offenders or people at risk of offending, and mentally disordered offenders	61
3.2.7 Teenage parents	65
3.2.8 Young people at risk in settled accommodation	69
3.2.9 Young people at risk in temporary accommodation	76
3.2.10 Young people leaving care	82
3.3 Groups with age, health or disability related problems	88
3.3.1 People with alcohol problems	88
3.3.2 People with drug problems	94
3.3.3 People with learning disabilities	98
3.3.4 People with mental health problems	104
3.3.5 Older people receiving floating support and other older people	110
3.3.6 Older people in very sheltered accommodation	116

3.3.7	Older people in sheltered accommodation	122
3.3.8	People with a physical or sensory disability	128
3.4	Conclusion	135
<b>Chapter 4 References</b>		141
<b>Chapter 5 Glossary</b>		143
5.1	General terms	143
5.2	Client group definitions	144
<b>Chapter 6 Appendix A: Data gathered</b>		147
6.1	Purpose	147
6.2	Socially excluded groups	148
6.3	Groups with age, health or disability related problems	157
6.4	Calculations underlying costs of basic packages	169
<b>Chapter 7 Appendix B: Updates to the earlier research</b>		175
7.1	Outline	175
7.2	Additional client groups	175
7.3	Modelling of older people	178
7.4	Offender mental health assumptions	180
<b>Chapter 8 Appendix C: Individual Budgets</b>		182
<b>Chapter 9 Appendix D: Sensitivity analysis</b>		183
9.1	Overview	183
9.2	Service utilisation	183
9.3	Residential and hospital care	185
<b>Chapter 10 Appendix E: Explanation of the change in benefits since the 2006 report</b>		189
10.1	Overview	189
10.2	Changes in service provision and costs between 2006 and 2009, and modelling of additional events	190
10.3	Improvements in estimates of package costs	191
10.4	Adjustment to the modelling approach for “other” older people	192
10.5	Inclusion of additional client groups	193
<b>Chapter 11 Appendix F: Local modelling work and commissioning</b>		194
11.1	Local modelling work	194
11.2	The commissioning context	195

# Chapter 1

## Executive Summary

### 1.1 Background

The Supporting People (SP) programme provides strategically planned housing-related services which are typically parts of packages of support and potentially other services (which may be provided by the public, private or third sector). The programme is managed and delivered at the local level and decisions about which services to commission to meet local need and priorities are for the local authority to make. The services are provided to vulnerable people, with the goal of improving their quality of life by providing a stable environment to enable independent living. The programme provides support to a wide range of vulnerable client groups. These include people with longer-term support needs such as older people. They also include others, such as those experiencing or at risk of social exclusion, for whom a shorter-term intervention (either to build skills and confidence towards independence or to address and support through a crisis) is more appropriate.

Launched on 1 April 2003, the programme drew together and provided a strategic framework for a range of existing funding streams and services. Government has been keen to ensure and maximise the value for money and financial benefits delivered through the investment, and is likely to be revisiting this in the context of the next Comprehensive Spending Review in 2011. The present economic downturn is likely to intensify the demand for services paid for by the grant, particularly where such services deal with the needs of the socially excluded. In addition to this, the question of financial benefits is of particular significance to local authorities because from April 2009, for the first time, the Supporting People programme will be paid to local authorities as an unringfenced named grant and from 2010-11 will be included in the area-based grant. In order to support delivery in this new unringfenced environment, CLG are developing a package of transitional support which this piece of research and the adaptation of the financial model, to be used at the local level, forms part of.

This piece of research is an update to work carried out in 2006 [1]. Like the earlier work, it has estimated the financial benefits of the programme for a majority of the groups supported. The approach has been to consider, for each group, what the financial impact would be if SP funded services were replaced by the most

appropriate positive alternatives for meeting the group's needs (i.e. the approach which would, in the absence of Supporting People, provide the highest degree of independent living).

Within each group, impacts have been considered using the following working assumptions:

- *For some clients, the most appropriate alternatives would be the arrangements which they receive at the moment but without the housing-related support enabled through Supporting People.* This might mean, for example, providing a homeless family with accommodation, benefits or support through Jobcentre Plus, but not advice on how to maintain a tenancy or access services and utilities in their new home. In these cases, some financial impact arises from withdrawing the service, and any additional financial impact arises through the costs of adverse events (such as loss of tenancy) that would now be more likely to happen to the service recipient than would have been the case had SP not been withdrawn.
- *For others, the best alternatives would be arrangements which required a different, more intensive form of intervention (referred to in this report as 'escalated arrangements').* This might mean, for example, providing residential care to an older person. In these cases the financial impact arises primarily through the costs of the alternative service or intervention when compared to the cost of providing the SP service, although the effect on levels of adverse events is also a factor.

The 2006 work [1] drew upon earlier research carried out in 2004 for the then Office of the Deputy Prime Minister (ODPM) by Matrix into the benefits of the Supporting People programme [2]. While the 2004 work looked at the impacts Supporting People services had on levels of adverse events, the 2006 work:

- Produced a model which compared costs of complete support packages, rather than simply analysing the benefits of Supporting People. It did this by considering both the costs of the support packages themselves and the events which would occur when those packages were in place. (In doing this it re-used the Matrix work on adverse events, comprehensively updated with recent data);
- Gave fuller consideration to the avoided costs related to residential care alternatives; and
- Produced a financial modelling spreadsheet.

The current work has involved building on the 2006 model by:

- Updating it to use the most recent version of all of the original data sources, and the most recent Supporting People Local Systems (SPLS) data on client numbers and contracted expenditure;
- Reviewing the events it covered and adding new ones to make it as comprehensive as possible;
- Widening its scope to cover additional client groups;
- Changing its assumptions where evidence has become available to suggest they should be changed; and
- Changing the way it handles certain costs – particularly those of social services day and domiciliary care – and the calculation of those costs, so as to more accurately reflect the package costs' elements.

In addition, work has been carried out to adapt the financial model so that it can be used by local authorities to understand the levels of financial benefit provided by the Supporting People grants in their areas and to develop their commissioning plans. That adaptation will enable local authorities to effectively demonstrate to their partners the financial benefits of providing housing-related support services to meet local needs and priorities. This will be important in the move to an un-ringfenced grant and towards distributing the funding through area-based grant allocation. Whilst the adaptation is not the focus of this report, it is described in outline in appendix F.

It is perhaps worth noting that the work has not, at this stage, been influenced by individual budgets whereby users have greater control and choice over the support services that they receive. It is considered too early to see what the full implications of this will be for the modelling work – this is discussed in brief in appendix C.

As well as being reported in this document, the results of the research are contained in a financial model which is being delivered to Communities and Local Government (CLG) alongside this report. The model can be updated as and when new research is carried out or new data becomes available.

## 1.2 Approach

### **Client groups**

This financial benefits work covers all the client groups covered in 2006. In addition, the work has also considered four additional client groups – “teenage parents”, “young people leaving care”, “people with a physical or sensory disability” and “people with alcohol problems”. A complete list of the groups considered in this research is given in table 1.3.1.



## Data gathered

The financial modelling is driven by three kinds of data. These are:

- (i) The total costs of packages that involve Supporting People services;
- (ii) The most appropriate positive alternatives if Supporting People were not available, and the proportions of clients who would be allocated to them if their needs were to be met as effectively as possible (i.e. by the approach which would, in the absence of Supporting People, provide the highest degree of independent living); and
- (iii) The impact that Supporting People services and alternatives would have in reducing adverse outcomes for the client groups.

Total package cost information was sourced in 2006 from data provided at the researchers' request by CLG, the Home Office and the Department for Work and Pensions. In many cases where full information was not available, estimates were used. These were based either on calculations made with available data or discussions with groups of Supporting People lead officers. In the current work, these estimates have been revisited, with a focus on using published data to improve on some of them.

For the client groups covered in 2006, the proportions of clients that would be allocated to alternatives in the absence of SP funded services were estimated through discussions with the groups of Supporting People lead officers, based on their judgement and experience. For those added as part of the current work, the proportions of clients that would be allocated to alternatives in the absence of SP funded services were estimated by relevant stakeholders, again based on their judgement and experience.

For estimates of the impact that Supporting People and alternatives would have in reducing adverse outcomes for the client groups, the 2004 research [2] was directly re-used in 2006. With a couple of small exceptions where stakeholders have been able to cite primary evidence that suggests alteration, the same figures have been used again in the current work. It should be noted that, while the 2004 work was validated with stakeholders to ensure that its assumptions were reasonable, the evidence base is such that the figures are best estimates rather than quantified certainties. In the case of the four additional client groups, new models have been added to those contained in the earlier research from 2006. The estimates of impacts in these models have been validated with stakeholders.

## Financial modelling

All of the current data was put into a financial model which enabled comparison of the total costs of supporting each client group under existing arrangements with the cost that would arise if it were supported using the most appropriate

alternatives. The difference, which in all but three cases showed the alternative to have higher costs, was considered to be the financial benefit of the Supporting People programme for the client group.

The scope of the work has been limited to *immediate or near-immediate costs* to which a *financial value* can be attributed. This means that there are two categories of benefits from Supporting People that are not included in the figures calculated.

The first category consists of *immediate or near-immediate unquantified<sup>1</sup> benefits* to the users whose ability to live independently and avoid or recover from crisis is improved by Supporting People funded services. There is evidence in the literature concerning these uncoded benefits, which range from decreased fear of crime to helping with employment opportunities. CLG's Supporting People Outcomes Framework also provides a robust evidence base to demonstrate the impact of housing-related support services both at a local and national level in terms of outcomes achieved by clients as a direct result of accessing services<sup>2</sup>. Some of those uncoded benefits are listed at the end of section 1.3 and more detail is given in the main body of this report.

The second category consists of *long-term reductions in both the need for support and social exclusion*. These are particularly significant, albeit unquantified<sup>1</sup>, benefits; they are valuable in themselves to the clients concerned, and may also, in the long term, reduce the size of the client groups and the cost of providing support to them.

Therefore, as the costs associated with these two categories are outside the scope of this work, the overall financial benefit of the Supporting People programme could be significantly understated.

## 1.3 Findings

The findings of this work are that the best overall estimate of net financial benefits from the Supporting People programme is £3.41 bn per annum for the client groups considered (against an overall investment of £1.61 bn)<sup>3</sup>.

<sup>1</sup> By unquantified benefits, we mean benefits to which a financial value has not been attributed as part of the scope of this work.

<sup>2</sup> Supporting People Client Record and Outcomes Framework data can be accessed by an on-line reporting facility: <http://www.spclientrecord.org.uk/>

<sup>3</sup> The calculation basis for this figure is slightly different from that in use in the 2006 work, as we have updated the approaches relating to package costs and the allocation of older people to groups within the model. Other factors have also contributed to the change in the figure since the report in 2006 [1]. In particular an increase in the cost of residential care and a move within SP-funded services towards lower cost forms of provision have led to an increase in overall financial benefit. All of this is described in appendix E.

This overall conclusion is based on separate calculations for each of the vulnerable groups considered through this research. In all but three cases, the provision of the Supporting People intervention was estimated to provide a net financial benefit – i.e. the financial benefits of supporting the individual using the most appropriate positive alternative to SP were higher than, and outweighed, the costs of doing so using SP services. The net results for each client group are set out in the table below.

<b>Table 1.3.1</b> Costs and estimated net benefits per annum of Supporting People services by client group		
<b>Client group</b>	<b>Cost (£m)</b>	<b>Net financial benefit (£m)</b>
People with alcohol problems	(20.7)	92.0
Women at risk of domestic violence	(68.8)	186.9
People with drug problems	(30.1)	157.8
Homeless families with support needs – settled accommodation	(32.5)	(0.5)
Homeless families with support needs – temporary accommodation	(17.5)	28.5
Single homeless with support needs – settled accommodation	(130.1)	30.7
Single homeless with support needs – temporary accommodation	(106.7)	97.0
People with learning disabilities	(369.4)	711.3
People with mental health problems	(254.4)	559.7
Offenders or people at risk of offending, and mentally disordered offenders	(55.4)	40.3
Older people in sheltered accommodation	(198.2)	646.9
Older people in very sheltered accommodation	(32.4)	123.4
Older people receiving floating support and other older people	(97.3)	628.0
People with a physical or sensory disability	(28.4)	73.3
Teenage parents	(24.9)	(18.3)
Young people at risk – settled accommodation	(94.9)	26.6
Young people at risk – temporary accommodation	(38.1)	26.7
Young people leaving care	(12.7)	(0.7)
<b>Total</b>	<b>(1,612.4)</b>	<b>3,409.4</b>

The research was approached through estimating the impact of withdrawing or replacing the Supporting People intervention. So the findings shown above can also be taken to indicate that, for all but three of the groups considered, the financial costs of supporting the individual through SP are lower than the overall financial costs that would result from either withdrawing or reducing support or of switching to a more intensive form of support offering a lower degree of independent living. For the remaining three groups, “homeless families with support needs – settled accommodation”, “young people leaving care” and “teenage parents”, the table shows that the costs for supporting the individual through SP are higher than the overall costs that would result from withdrawing or reducing support.

It must be noted that for the three groups where there is not a net financial benefit, there is nonetheless a strong case for housing-related support. There are long-term unquantified<sup>5</sup> benefits for these three groups (and other socially excluded groups<sup>4</sup>) that include reductions in both need for support and social exclusion. These are particularly significant benefits: they are valuable in themselves to the clients concerned, and may also, in the long term, reduce the size of the client groups and the cost of providing support to them.

There are also immediate or near-immediate *unquantified*<sup>5</sup> benefits that are not included in the figures calculated for these three groups (and all other client groups). These benefits, such as reduced fear of crime and acquisition skills like cooking and shopping, are listed for each client group in Section 3 of this report.

While table 1.3.1 provides an estimated financial value for the existing Supporting People interventions, the approach used means that the values ascribed to individual groups are partly dependent on the number of people already in receipt of those services. As this varies by client group, those findings do not in themselves provide a clear picture of the relative financial values of the different Supporting People interventions. In order to better inform strategic decisions about the amount and purpose of Supporting People funding, we have additionally calculated the cost and net financial benefit per 1,000 units of support. This is set out in the table below.

<sup>4</sup> The socially excluded groups are those discussed in section 3.2 of this report: Women at risk of domestic violence, Homeless families in settled accommodation, Homeless families in temporary accommodation, Single homeless with support needs in settled accommodation, Single homeless with support needs in temporary accommodation, Offenders or people at risk of offending and mentally disordered offenders, Teenage parents, Young people at risk in settled accommodation and Young people at risk in temporary accommodation and Young people leaving care.

<sup>5</sup> By unquantified benefits, we mean benefits to which a financial value has not been attributed as part of the scope of this work.

**Table 1.3.2** Costs and estimated net benefits per annum per 1000 units of Supporting People services by client group

<b>Client group</b>	<b>Cost per 1000 units of support</b>	<b>Net financial benefit per 1000 units of support</b>
People with alcohol problems	(5.9)	26.4
Women at risk of domestic violence	(7.2)	19.6
People with drug problems	(6.2)	32.2
Homeless families with support needs – settled accommodation	(3.4)	(0.1)
Homeless families with support needs – temporary accommodation	(4.8)	7.7
Single homeless with support needs – settled accommodation	(5.0)	1.2
Single homeless with support needs – temporary accommodation	(8.3)	7.5
People with learning disabilities	(11.8)	22.8
People with mental health problems	(6.8)	15.0
Offenders or people at risk of offending, and mentally disordered offenders	(6.9)	5.0
Older people in sheltered accommodation	(0.4)	1.4
Older people in very sheltered accommodation	(1.3)	5.0
Older people receiving floating support and other older people	(0.3)	1.7
People with a physical or sensory disability	(2.4)	6.2
Teenage parents	(6.5)	(4.8)
Young people at risk – settled accommodation	(6.8)	1.9
Young people at risk – temporary accommodation	(8.1)	5.7
Young people leaving care	(6.7)	(0.4)

As with table 1.3.1, the findings here indicate that, for all but three of the client groups considered, the costs of supporting outweigh the overall costs of not supporting. This would suggest that, based upon the research done, the withdrawal of support for these groups would not only remove services of benefit to them, but may create a higher cost elsewhere.

Finally, in line with the approach taken in the previous research [2], we have considered and estimated the costs and savings to other services and areas of public expenditure. This is set out in the table below.

<b>Table 1.3.3</b> Estimated net benefit of Supporting People services by cost area	
Costs of SP services (and associated costs)	
Cost of providing SP services	(1,612.4)
Housing costs	(596.1)
Social services care	(407.7)
Benefits and related services	(213.8)
Other services <sup>3</sup>	(43.8)
Total of costs	(2,873.8)
Residential care package	5,408.7
Homelessness	95.0
Tenancy failure costs	50.7
Health service costs	315.2
Crime costs	413.6
<b>Total of benefits</b>	<b>6,283.2</b>
<b>Overall net benefit</b>	<b>3,409.4</b>

This analysis suggests that, within the overall net benefit of £3.41bn, the removal of Supporting People services would lead to:

- increased costs in the areas of homelessness, tenancy failure, crime, health and (in particular) residential care packages<sup>6</sup>; and
- corresponding reductions in cost in the areas of SP services, housing costs, social services care, benefits and related services and other services.<sup>7</sup>

<sup>6</sup> See Table 2.3.1 for descriptions of all cost categories used in the model

<sup>7</sup> The Other Services category is intended for any costs not covered by the other cost categories. In practice, it is being used only for non-NHS nursing costs associated with accommodation.

It should be noted that some of the costs modelled accrue to individuals rather than the Exchequer. It has been observed that in the cases of residential care packages and housing costs:

- clients with their own means may sometimes be able to fund themselves;
- there are some non-Exchequer crime costs; and
- some clients may pay their own living costs rather than receive benefits.

As sufficient data has not been available, there has been no attempt to split costs out, and the quantitative output of this work does not make a distinction between personal and Exchequer costs.

As has been discussed, the findings are best estimates rather than certainties. It can be seen in table 1.3.3 that a large proportion of the financial benefit arises from avoided residential care packages (although avoidance of these packages also introduces costs because living independently adds to housing, social services and living costs). Consequently, for those groups where residential care is considered to be a key alternative if support were to be withdrawn, the extent to which those currently supported through Supporting People would instead receive residential care is an important model driver.

In addition, as identified by the earlier research [2], there are a range of valuable but uncoded benefits from Supporting People services which should be considered in any thinking about the broader social value of those services. These vary from client group to client group, but may include:

- reduced risk, in the long term, of social exclusion;
- improved educational outcomes, in the long term, for children;
- improved health and quality of life for individuals;
- increased participation in the community;
- reduced burden for carers;
- greater access to appropriate services;
- reduced fear of crime; and / or
- reduced anti-social behaviour.

## 1.4 Model sensitivity

The financial benefits reported in this document exhibit sensitivity to some key assumptions. These include:

- the extent to which the most appropriate alternatives to Supporting People services are considered to be residential care;
- the utilisation of services; and
- the costs of care and accommodation for individuals receiving housing-related support.

Varying the assumptions changes the level of financial benefit shown by the model, although in almost all sensitivity scenarios tested the benefits show large positive values.

There is a single scenario which forms an exception to this: If the assumption that clients could be allocated to residential care or other escalated alternatives is completely removed from the modelling then the net financial benefit modelled drops from £3.41bn to -£0.03bn. The calculation basis is such that this is a net figure. This means that, even if the alternative provision scenario were to assume that no residential care or other escalated arrangements would be needed to compensate for the loss of Supporting People services, then that scenario would still be only slightly less expensive overall than providing the existing Supporting People arrangements, as well as considerably less beneficial for clients.

For reference the following table identifies those client groups for which avoided residential care or other escalated alternatives (these are hospital care, foster care and rehabilitation arrangements) form a part of the financial benefit.<sup>8</sup> These are of course the groups for which estimated benefit levels fall if the assumptions that clients could be allocated to residential care or other escalated alternatives are removed from the model.

<sup>8</sup> The full analysis underling the table is provided in table 9.3 appendix D



**Table 1.4** Client groups where avoided residential care forms a part of the financial benefit

Client group	Is cost of escalated alternative a driver of financial benefit?
People with alcohol problems	√
Women at risk of domestic violence	
People with drug problems	√
Homeless families with support needs – settled accommodation	
Homeless families with support needs – temporary accommodation	
Single homeless with support needs – settled accommodation	
Single homeless with support needs – temporary accommodation	
People with learning disabilities	√
People with mental health problems	√
Offenders or people at risk of offending, and mentally disordered offenders	
Older people in sheltered accommodation	√
Older people in very sheltered accommodation	√
Older People receiving floating support and other older people	√
People with a physical or sensory disability	√
Teenage parents	
Young people at risk – settled accommodation	√
Young people at risk – temporary accommodation	√
Young people leaving care	√

# Chapter 2

## Background and approach

### 2.1 Document structure

The main body of this report is a stand-alone document that does not require the reader to understand the research methods in detail. The appendices provide further supporting information and detail which will assist those readers who wish to understand the work in full. They also provide some contextual information.

### 2.2 Context and objective

The Supporting People (SP) programme provides strategically planned housing-related services which are typically parts of packages of support and potentially other services (which may be provided by the public, private or third sector). The services are provided to vulnerable people, with the goal of improving their quality of life by providing a stable environment to enable independent living. The programme provides support to a wide range of vulnerable client groups. These include those (such as older people) with longer-term support needs. They also include others (such as those experiencing or at risk of social exclusion) for whom a shorter-term intervention (either to build skills and confidence towards independence or to address and support through a crisis) is required.

Launched on 1 April 2003, the programme drew together and provided a strategic framework for a range of existing funding streams and services. Government has been keen to ensure and maximise the value for money and financial benefits delivered through the investment, and is likely to be revisiting this in the context of the next Comprehensive Spending Review in 2011. In addition to this, the question of financial benefits is of particular significance to local authorities because of the removal of the ringfence from the Supporting People grant to local authorities in the financial year 2009-10, and its payment as part of the area-based grant in the year 2010-11.

The objective of this research has been to meet the ongoing aim of the Department for Communities and Local Government (CLG) to understand and capture the financial benefits provided through the investment made in housing-related support services through the Supporting People programme. To this end,

the work has been focussed on updating the work carried out in 2006, which had the same goal [1]. The approach taken by that work was to understand the extent to which investment in Supporting People services saves money and avoids costs elsewhere through preventing or deferring either more costly interventions to deal with events which might otherwise have been avoided (e.g. hospitalisation following a fall) or the use of more costly alternative services (e.g. residential care).

In meeting its objective, the current research is intended to add to the evidence base for the Supporting People programme and inform discussions on future investment through the next Comprehensive Spending Review. The work described in this document is also the foundation of work that has been carried out to adapt the financial model so that it can be used by local authorities to understand the levels of financial benefit provided by the Supporting People grants in their areas and to develop their commissioning plans. That adaptation will enable local authorities to effectively demonstrate to their partners the financial benefits of providing housing-related support services to meet local needs priorities. This will be important in the move to an un-ringfenced grant and towards distributing the funding through area-based grant Allocation. Whilst the adaptation is not the focus of this report, it is described in outline appendix F.

## 2.3 Overall approach

### 2.3.1 ***Building on research from 2004***

This work has involved updating and developing work carried out in 2006 [1]. That work in turn took as its foundation an earlier piece of research carried out for the then ODPM by Matrix in 2004 [2].

The 2004 work considered Supporting People services for a range of client groups and analysed the benefits arising from them. It produced separate models for each of the following vulnerable groups assisted through the Supporting People programme:

- Women at risk of domestic violence;
- People with drug problems;
- Homeless families;
- Homeless single people;
- People with learning disabilities;
- People with mental health problems;
- Offenders and those at risk of offending; and
- Older people.

These client groups were chosen because they were the client groups for which it was considered that there was most evidence available at the time the research was carried out, and also because between them they accounted for the majority of Supporting People spending.

Broadly speaking each model followed a similar structure. For each client group, the research considered a range of events that could happen to members of that group. These events were all either adverse incidents that could happen to clients (such as becoming a victim of crime) or positive interventions designed to help the clients (e.g. planned access to healthcare). Rates of occurrence of the events for Supporting People clients were computed using estimation techniques and available data. The research went on to calculate the impact that Supporting People services were likely to be having in reducing the levels of the events, and hence the financial costs it was avoiding. Reductions were considered likely for both adverse incidents and positive interventions. This was based on the proposition that clients receiving Supporting People services would both be protected from adverse incidents (e.g. because being given advice helped them to avoid becoming a crime victim) and have their dependence on positive interventions reduced (e.g. because of stabilisation of their lives reducing their need for GP services).

This research concluded that, for the groups considered, the evidence base suggests that there are benefits of Supporting People services that accrue to the Exchequer and to the individual in receipt of services, their families and wider communities. Matrix proposed a potential benefit value of £1.34 billion based upon benefits which were identified by them as being measurable and /or quantifiable. However, it was also emphasised that, due to the paucity of evidence available, the work was based on a number of working assumptions and that, therefore, its findings should generally be regarded as best estimates rather than quantified certainties.

### **2.3.2 *Approach to the current work***

The 2006 work [1] took the original Matrix work and converted it into a financial model which additionally allows comparison of the total<sup>9</sup> (rather than just Supporting People) costs of supporting each client group with the costs of supporting them under an alternative scenario that included a range of escalated alternatives.

<sup>9</sup> All costs considered are on a 'per time period' (e.g. per week or per year) basis. Capital costs are not directly considered, although they will drive some of the 'per time period' costs. (E.g. the cost of constructing accommodation is a driver behind the rent for living in it.)

In doing so, the model was changed to add to and split the client groups covered, as follows:

- The original “older people” group was split into three. This was intended to better reflect the different types of services provided to older people through Supporting People and, through that, the potential differences in the impact of withdrawing those services;
- Both of the homeless groups were split into those in temporary and in settled accommodation to better reflect the finding, as identified in the original Matrix work modelled, that Supporting People services deliver different levels of benefit in these different situations;
- At the request of CLG, additional client groups were added covering young people at risk in both settled and temporary accommodation. These groups were selected on the basis that, beyond those groups covered by the Matrix research, they were identified as the next highest priority for consideration. This was because of links to the Government’s strategy as set out in “Every Child Matters: Change for Children”<sup>10</sup>.

The current work has taken steps to include additional client groups, as follows:

- At the request of CLG, additional client groups have been added covering young people leaving care, people with alcohol problems, people with a physical or sensory disability and teenage parents. These were the largest (in expenditure terms) of the groups not so far covered by the modelling.
- Mentally disordered offenders have been combined with offenders and people at risk of offending to produce a single group for modelling purposes.

Additionally:

- The existing groups of “older people receiving floating support” and “older people in sheltered accommodation and *other older people*” have been replaced with two new groups; “older people in sheltered accommodation” and “older people receiving floating support and other older people”. This is because the current research has reviewed the modelling treatment of “other older people”, which is the group of older people who are neither in sheltered or very sheltered accommodation nor receiving floating support. It has been identified that members of this group primarily receive HIA (Home Improvement Agency) services or community alarm services. In the 2006 work, they were placed in the same group as older people in sheltered accommodation for modelling purposes. In this work they have been placed in the same group as older people receiving floating support. This is because

<sup>10</sup>Every Child Matters: Change for Children (2004), DfES

the costs of the support packages for “other older people” are more similar to those for older people receiving floating support than to those for older people in sheltered accommodation. In turn this is because sheltered accommodation is a service whose provision incurs some specific and significant additional costs over and above those incurred by the provision of alarms, HIA services or floating support.

As a result of these changes, the full set of client groups considered through this work is as follows:

- People with alcohol problems
- Women at risk of domestic violence
- People with drug problems
- Homeless families in settled accommodation
- Homeless families in temporary accommodation
- Homeless single people in settled accommodation
- Homeless single people in temporary accommodation
- People with learning disabilities
- People with mental health problems
- People with a physical or sensory disability
- Offenders or people at risk of offending, and mentally disordered offenders
- Older people in sheltered accommodation
- Older people in very sheltered accommodation
- Older people receiving floating support and other older people
- Teenage parents
- Young people at risk in settled accommodation
- Young people at risk in temporary accommodation
- Young people leaving care

However, notwithstanding these changes, there remain some Supporting People client groups which have not been covered by the analysis.<sup>11</sup>

In looking at the groups considered, the current work has sought to identify additional research carried out since 2006 which would provide an evidence base for adjusting the existing assumptions in the model. However, with

<sup>11</sup>The client groups not covered by the analysis are people in the “generic” category, people with HIV/AIDS, refugees, rough sleepers and travellers.

one exception<sup>12</sup>, no new primary evidence has been identified which would supersede or call into question those assumptions, and it has therefore been considered reasonable to carry them forward into the current work.

In developing the model in 2006, and in revisiting it for the current work, the approach taken has then been to identify financial benefits separately for each of the SP client groups. For each group, we have considered what the financial impact would be if services funded by SP were to be removed and replaced by the most appropriate *positive* alternatives for meeting the group's needs as effectively as possible (i.e. the approach which would, in the absence of Supporting People, provide the highest degree of independent living).

Two working assumptions have been used throughout the research:

- *For some clients, the most appropriate alternatives would be the arrangements which they receive at the moment but without the support enabled through Supporting People.* This might mean, for example, providing a homeless family with accommodation, benefits, support through Jobcentre Plus and so on, but not advice on how to maintain a tenancy or access services and utilities in their new home. In these cases some financial impact arises from withdrawing the service. Any additional financial impact arises through the costs of adverse events (such as loss of tenancy) or positive interventions (such as being given medical treatment) that would now be more likely to happen to the service recipient than would have been the case had SP not been withdrawn.
- *For others, the best alternatives would be arrangements which required a different, more intensive form of intervention (referred to in this report as 'escalated arrangements').* This might mean, for example, providing residential care to an older person. In these cases, the financial impact arises primarily through the costs of the alternative service or intervention when compared to the cost of providing the SP service, although the effect on levels of adverse events is also a factor.

The modelling work is based on information in three areas:

- (i) **Basic package costs:** the total costs of packages that involve or do not involve (as in the case of residential care) Supporting People services.

<sup>12</sup>The exception is in relation to assumptions about the mental health of offenders, people at risk of offending and mentally disordered offenders – see Appendix B, Section 7.4 for full details.

- (ii) **Alternatives:** the most appropriate positive alternatives if Supporting People were not available, and the proportions of clients who would be allocated to them if their needs were to be met as effectively as possible (i.e. through the approach which would, in the absence of Supporting People, provide the highest degree of independent living)
- (iii) **Events and Impacts:** the impact that Supporting People services and the alternatives would have in reducing adverse events for the client groups, and the costs associated with those events.

The approach used to gather the data is described in section 2.4.

Using this data, the financial model allows comparison between the total costs of supporting each client group under existing arrangements and the cost that would arise if it were supported using the most appropriate alternatives. The difference, which in the majority of cases shows the alternative to have higher costs, is considered to be the benefit of the Supporting People programme for the client group. The financial modelling approach is described in section 2.5, and the categories of costs used within the output from the model are described in table 2.3.1.

It should be noted that some of the costs modelled accrue to individuals rather than the Exchequer. In the cases of residential care packages and housing costs, clients with their own means may sometimes fund themselves. There are some non-Exchequer crime costs, and some clients may pay their own living costs rather than receive benefits. Where and to whom costs accrue is expected to vary by service type and potentially by client group, and is expected to be particularly affected by the extent to which the individual might be expected to pay for the Supporting People service and / or for the alternative service. For Supporting People services, Government has determined that no one should be charged for receipt of short-term interventions (i.e. those intended to be for up to 2 years duration). For services of a longer / ongoing duration, local authorities have the discretion to charge based on locally adopted charging rules which, in practice, normally mean that individuals on housing benefit are not charged and others may be subject to an assessment of their ability to pay. The latter arrangements normally mirror or closely align to local charging arrangements for social services. The groups who normally receive services on a long-term or ongoing basis are older people, people with learning disabilities and people with a physical or sensory disability. It is therefore felt to be reasonable to assume that, of the client groups considered in this work, the majority of costs and benefits of all but the older people and disabled groups will fall to the Exchequer, whereas for those groups the costs and benefits will split between personal and



Exchequer.<sup>13</sup> However, in the absence of identifiable data to inform any splitting of the costs, we have not sought to do so within this model and therefore the quantitative output of this work does not make a distinction between personal and Exchequer costs.

It should also be noted that there are additional non-costed benefits from Supporting People, identified by the earlier research [2] and discussed in section 3 of this report. The existence of these benefits means that consideration of financial values alone is insufficient to fully understand the benefits of Supporting People. This subject is discussed further towards the end of the section describing the financial modelling approach, 2.5.

**Table 2.3.1** Types of cost modelled

<b>Cost type</b>	<b>Description</b>
SP Services	This covers the cost of providing Supporting People services, such as counselling and advice on home improvement or personal security, development of life skills, development of social skills and help in managing personal finances.
Residential care package	This covers the cost of providing residential care to people who might otherwise be Supporting People clients. These costs accrue in part to the Exchequer and in part to the clients themselves, although the distinction has not been modelled as part of this work.
Housing costs	This covers the cost of housing for people who are not in residential care arrangements. Like residential care packages, the costs may accrue to the Exchequer or the individuals themselves.
Homelessness	This covers costs arising from failure to maintain stable housing. These consist of costs of emergency housing and social costs, i.e. the incremental costs of providing health, education and social services that arise from homelessness.
Tenancy failure costs	This covers the costs of failure of clients' tenancies; in particular it includes costs to local authorities such as administration and legal costs, lost rent and repairs to the empty property.
Health service costs	This covers costs to the NHS and hence to the Exchequer. They include costs of stays in hospital, mental health services, visits to Accident and Emergency, and use of primary care and treatment services.

<sup>13</sup>It is also thought that whilst in principle some costs for people with learning disabilities are met by clients themselves, in practice the proportion of costs falling into this category will be very low because the client groups will typically not have financial means. The proportion of costs met by older people and people with a physical or sensory disability will be much higher.

**Table 2.3.1** Types of cost modelled (*continued*)

Cost type	Description
Social services care	This covers costs of social services care, including personal domiciliary care, services for looked after children and day care.
Crime costs	This covers costs associated with both being a crime victim and with re-offending. The costs are mainly costs to the Exchequer and, in the cases of women at risk of domestic violence and older people, the social costs of crime (non-Exchequer costs) are additionally included.
Benefits (Living costs) and related services	Benefits to cover living costs are covered, including costs of administering benefits. In the financial modelling, no allowance has been made for the fact that some SP clients may have independent means and be supported by those rather than the Exchequer. Therefore, the costs modelled in this group are a mixture of costs to the Exchequer and costs to individuals.
Other services	This category is intended for any costs not covered by the above. In practice, it is being used only for non-NHS nursing costs associated with accommodation.

## 2.4 Data gathering approach

As described in section 2.3.2, the model is based on data in three areas: basic package costs, alternatives and events and impacts.

Separate approaches have been used for each of these.

### (i) Basic package costs

For the 2006 research, cost information was sourced from data provided at the researchers' request by CLG, the Home Office and the Department for Work and Pensions. It included data on costs of services provided by Supporting People, which comes from the SPLS data held by the programme. Where definite information relating to total costs was not available, estimates were used – these were based on discussions with two groups of Supporting People lead officers in West London and the North West of England.

In the current work, the same cost information has been used, subject to the following alterations:

- All data used in the basic package costs has been replaced with its most recent equivalent; i.e. every data source used has been checked to see if it has since been updated, and the updated source has been used to feed the model.
- Package costs for the additional client groups have been calculated or estimated in a similar way to that used in 2006, but with experts in the client groups being consulted for the estimates instead of Supporting People lead officers.
- Some of the costs originally estimated by SP lead officers have been revisited and re-estimated by the project team, making use of published data. These are costs of accommodation for older people in sheltered and very sheltered (extra care) accommodation, and costs of social services and nursing for the long-term care client groups. This re-estimation was carried out because it was recognised that some of the data from the initial consultation either contradicted nationally published information or was based on an incomplete view of the services used by a client group.

The data in current use for basic package costs is referenced in section 4. The costs information is shown in appendix A.

## **(ii) Alternatives**

The proportions of clients who would be allocated to escalated alternatives if Supporting People were not available were estimated by the groups of Supporting People lead officers in 2006. The lead officers were also asked to validate the escalated alternatives considered. These choices of alternatives and the proportions form important financial modelling assumptions and are documented in section 3.

For the client groups added in the 2006 research, the proportions were estimated by a number of stakeholders. For teenage parents and young people leaving care, the stakeholders were representatives of CLG, and for people with alcohol problems they were representatives of ARP Rugby House<sup>14</sup> and the Department of Health. For people with a physical or sensory disability, an expert independent consultant provided estimates.

<sup>14</sup>ARP Rugby House is a charitable organisation concerned with substance misuse, formed in February 2009 from a merger of Alcohol Recovery Project and Rugby House

### (iii) Events and Impacts

As has been discussed in section 2.3.1, the 2004 research [2] considered a range of events that could happen to members of each group. These events were all either adverse incidents that could happen to clients, such as becoming a victim of crime, or positive interventions designed to help the clients. It went on to calculate the impact that Supporting People services was likely to be having in reducing the levels of the events, and hence the financial costs it was avoiding. Reductions were considered likely for both adverse incidents and positive interventions.

For estimates of the impact that Supporting People and alternatives would have in reducing adverse outcomes for the client groups, the 2004 research [2] was re-used with minor alteration in 2006 and has been re-used again for the current work with

- all event costs being updated to reflect the latest available data sources; and
- some alteration as described in appendix B, section 7.4.

More detail of exactly how the research has been used is provided in sections 2.5.3 and 2.5.4.

Additionally, an exercise was carried out with an expert independent consultant to test the comprehensiveness of the events used in the modelling. As a result, two new events have been researched which are relevant across a number of client groups. These events are “receiving urgent dental treatment” and “being arrested for prostitution”. Estimates for the impacts of the Supporting People services on the level of these events have been obtained from the independent consultant.

## 2.5 Financial modelling approach

### 2.5.1 *Approach*

The financial modelling approach used in the 2006 work [1] and the current work has been to consider, for each group, what the financial impact would be if services funded by SP were to be removed and replaced by the most appropriate alternatives for meeting the group’s needs as effectively as possible.

This is implemented in a financial model. For each client group, it uses the approach described in sections 2.2.2 to 2.2.5. A worked example is provided in section 2.5.6

### 2.5.2 **Alternative provision scenario**

The range of services and interventions that might be provided or accessible to each client group in the absence of SP funded services has been identified. Following that, an assumption has been made and validated through discussions with Supporting People lead officers and client group experts about both

- which service(s) would present the most appropriate alternative provision or intervention for existing service users to allow them to maintain the highest degree of independent living; and
- what proportion(s) of existing service users should most appropriately be allocated to each of those alternatives on that basis.

This forms an **“alternative provision” scenario**; a scenario which it is assumed would arise if Supporting People services were not available.

For all client groups, one of the packages amongst those considered is the “existing package without SP” i.e. the package that the group currently receives but without the Supporting People component. So, for example, a homeless family may receive a package that includes state benefits, accommodation and advice about issues such as how to access services and utilities in moving to settled accommodation. The advice is provided by Supporting People, while benefits and accommodation are not directly. So the existing package without SP would consist solely of the benefits and accommodation.

For groups with age, health or disability related problems, the alternatives considered generally include at least one residential care package because it is considered that some high-need clients in these groups would be likely to need this if they were not provided with Supporting People services. These groups are older people, people with alcohol problems, people with drug problems, people with mental health problems, people with a physical or sensory disability and people with learning disabilities.

For socially excluded groups, the groups of SP lead officers and the other experts consulted considered that residential care alternatives would not generally be appropriate, as they would not be effective ways of supporting the people concerned, and so such packages are, in most cases, not considered.

It is possible that clients without Supporting People services do not receive positive service packages or interventions. They may instead, for example, sleep rough or be sent to prison. As these are not considered positive packages or ones which would be offered to vulnerable people to best meet their interests, these outcomes are captured in the modelling as negative **“events”** leading to additional or different costs. Events are discussed later in the sections 2.5.3 and 2.5.4.

For all client groups, the “alternative provision” scenarios are documented as working assumptions in section 3 of this report. In the worked example shown in section 2.5.6 where people with learning disabilities are considered, it is shown as follows:

“Working assumption: It is assumed that, if SP funded services were not available then the most appropriate approach for the group of people who currently receive them would be to provide:

- thirty-five per cent of them (10,933 households) with their current arrangements (but without any of the services currently provided by SP), on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- sixty-five per cent of them (20,305 households) with residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP.”

### **2.5.3 *Costs with existing arrangements in place***

Costs of supporting the client group with the existing Supporting People arrangements in place are calculated using knowledge of the basic package costs under those arrangements and the costs of a set of events happening to the clients receiving those packages. These have been collected as described in point (i) of section 2.4; the data itself is given in appendix A. The events considered are those modelled in the earlier research [2] relating to a particular client group. Some new work has been carried out with CLG to identify which of these events apply to the additional client groups, and, additionally, we have modelled two new events (see section 2.4).

The basic package costs include not only the services funded by Supporting People, but also associated costs of accommodation, benefits/living allowances, input from the Probation Service and Social Services and costs of administering benefits. The events considered vary slightly between client groups – with those considered restricted to a set of events which would be influenced by the way in which the client group was supported. However, they typically include costs of hospital attendance and stays and other health related interventions, becoming a victim of crime and committing crime. They may also, for groups where it is relevant, include costs associated with periods of homelessness, drug treatment and so on. For illustrative purposes, table 2.5.3(i) sets out the full list of events modelled for people with learning disabilities.

It should be noted that, for the purposes of modelling existing arrangements, events may be included as either positive interventions or negative occurrences. Within the example of people with learning disabilities, access to health services and workers is considered to be part of the planned package of support and other services, and therefore positive, whereas becoming a victim of crime is a negative outcome. In including those outcomes, the model also considers the extent to which the existing package of services minimises negative occurrences (e.g. reduces unplanned emergency access to health services and minimises incidents of crime).

**Table 2.5.3(i)** Events modelled for people with learning disabilities

Event type
Being admitted to hospital due to general health issue
Visiting an A&E department
Being admitted to an acute mental health ward
Visiting a GP due to general health issue
Visiting a community health service (not mental)
Being visited by a community mental health nurse
Being a victim of burglary
Being a victim of street crime (violent crime or mugging)
Experiencing tenancy failure
Receiving home care provision

The calculation of event costs with Supporting People services in place is carried out using the financial modelling spreadsheet which takes account of numbers of households currently receiving these services and re-uses the modelling logic around the events to be found in the earlier research [2]. This logic uses a range of data sources to estimate the level of incidences of each event per household in the absence of Supporting People services, and then reduces them using estimates of the percentage impact that SP services will have on these levels. (The reduction percentages are sometimes based on evidence and are sometimes best estimates that have been validated with Supporting People lead officers and relevant Government departments).

For the example in section 2.5.6 (people with learning disabilities), the calculation produces the following cost per household unit, which is subsequently multiplied by the number of household units. The figure of £2,327 at the foot of the table below is the figure shown in the part of the example headed “Cost of existing provision.”

**Table 2.5.3(ii)** Cost per household unit per annum, of existing service provision, of events for people with learning disabilities

Event type	Cost per annum
Being admitted to hospital due to general health issue	£1,537
Visiting an A&E department	£351
Being admitted to an acute mental health ward	£23
Visiting a GP due to general health issue	£237
Visiting a community health service (not mental)	£82
Being visited by a community mental health nurse	£8
Being a victim of burglary	£31
Being a victim of street crime (violent crime or mugging)	£59
Experiencing tenancy failure	£0
Receiving home care provision	£0
<b>Total</b>	<b>£2,327</b>

#### 2.5.4 *Costs under alternative provision scenario*

Costs of supporting the client group under the alternative provision scenario are also calculated.

In the alternative provision scenario, clients are allocated a range of packages and costs are calculated. This involves calculating the costs for the basic packages and the events under each of those packages, and then adding them up to provide an overall cost under the alternative provision scenario. The worked example in section 2.5.6 illustrates this.

Decisions on how to most appropriately allocate existing service users across alternative support scenarios are based upon discussions with Supporting People lead officers and Government experts.

For the “without SP” packages, i.e. those that represent existing arrangements but without the SP component, event costs are calculated by re-using the logic of the earlier research [2] and its extensions to consider additional client groups. This logic uses a range of data sources to estimate the level of incidences of each event per household unit in the absence of Supporting People services.

For the residential care packages, event costs are calculated by making an assumption, for each event. This assumption is always either that:



- (i) *the incidence of the event amongst the client group is the same as it would be if SP services were provided, because the event arises wholly or in part from an unmet need which the residential package or the SP services would meet in a similar way.* For example, it is assumed for people with mental health problems that levels of admission to hospital because of general health issues will be the same if SP services are provided as if residential care is provided. This is because both SP services and residential care are assumed to be part of packages in which a client's housing, personal and social needs are being appropriately met. Given that, it is reasonable to suppose that they will have similar impacts on their level of general health; or
- (ii) *the incidence of the event is completely eliminated by the provision of the residential alternative, because residential care eliminates the circumstances necessary for the event to occur.* For example, it is assumed for people with drug problems in residential care (rehabilitation or inpatient care) that visits by community mental health nurses are not needed at all because mental health care will be provided by the residential establishments.

By way of illustration, the worked example shows an event cost per household unit of £4,697 as the event cost for a "without SP" package. This breaks down in the following table, and suggests that event costs are higher if SP is withdrawn (i.e. when compared to the costs if SP is provided as shown in table 2.5.3(ii)).

<b>Table 2.5.4</b> Cost per household unit per annum, of "without SP" service provision, of events for people with learning disabilities	
<b>Event type</b>	<b>Cost per annum</b>
Being admitted to hospital due to general health issue	£3,236
Visiting an A&E department	£369
Being admitted to an acute mental health ward	£47
Visiting a GP due to general health issue	£249
Visiting a community health service (not mental)	£87
Being visited by a community mental health nurse	£8
Being a victim of burglary	£32
Being a victim of street crime (violent crime or mugging)	£62
Experiencing tenancy failure	£178
Receiving home care provision	£428
<b>Total</b>	<b>£4,697</b>

The worked example also shows an event cost per household unit of £2,327 for a residential care package. This has been obtained by assuming that the incidence of all events would be the same with residential care provision as it would with Supporting People provision. It follows from this assumption that cost is the £2,327 shown in table 2.5.3(ii).

### **2.5.5 Calculation of level of benefit**

Calculation of **level of benefit** is carried out. The overall benefit from the Supporting People service is taken as the difference between the cost of supporting the group under the existing arrangements, and the cost of supporting it under the alternative provision scenario.

### **2.5.6 Remark on methodology – long-term impact and non-financial benefits**

Following the approach set out above, this research has modelled and reported on the annual net financial benefits achieved through investment in Supporting People. For the socially excluded client groups (covered in section 3.2), it is anticipated that Supporting People services have a long-term impact by increasing clients' independence and preventing them from needing either SP or other services in the future. If so, investment in Supporting People would not only minimise the costs of dealing with the vulnerable individuals, but also help to minimise the number of individuals who may require a support package.

There is no current data or research to allow us to identify or quantify this long-term financial impact, and it has not therefore been considered within this research. This may, therefore, lead to an understatement of the potential levels of net benefit achievable through investment in services for the socially excluded.

Additionally, there are a range of non-financial benefits associated with Supporting People services. These have not been modelled, but are described, for each client group, in sections 3.2 and 3.3 of this report. The Cabinet Office have recently published *A guide to Social Return on Investment*<sup>15</sup>, which includes discussion of approaches to analysing and quantifying benefits which are primarily environmental or social rather than financial – this kind of research, if carried out for Supporting People, could potentially be complementary to the financial analysis presented in this document.

Also, it should be noted that CLG's Supporting People Outcomes Framework also provides a robust evidence base to demonstrate the impact of housing-related support services both at a local and national level in terms of outcomes achieved by clients as a direct result of accessing services<sup>16</sup>.

<sup>15</sup> *A guide to Social Return on Investment*, published by the Office of the Third Sector, which is part of the Cabinet Office.

<sup>16</sup> Supporting People Client Record and Outcomes Framework data can be accessed by an on-line reporting facility: <http://www.spclientrecord.org.uk/>

**Worked Example**

The client group of “people with learning disabilities” consists of service provision for 31,238 household units.

***Cost of existing provision***

- The estimated average annual basic package cost, per household unit, of existing provision is £39,010. (This includes an SP cost of £11,825 and other costs totalling £27,185.)
- The annual event cost per household unit per annum comes to £2,327. [There is more detail of this in section 2.5.3.]
- So the total cost comes to £41,337 per client household per annum.
- Multiplying the cost per household by the number of households (31,238) gives a total cost of £1.29bn per annum.

***Alternative provision scenario and its cost***

Working assumption: It is assumed that, if SP funded services were not available then the most appropriate approach to look after the group of people who currently receive them would be to provide

- Thirty-five per cent of them (10,933 households) with their current arrangements (but without any of the services currently provided by SP), on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- Sixty-five per cent of them (20,305 households) with residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP.

For the 35 per cent who would receive existing arrangements but without Supporting People services:

- The estimated average annual basic package cost, per household unit, of service provision is £27,185.
- The annual event cost per household unit per annum comes to £4,697. [There is more detail of this in section 2.5.4].
- So the total cost comes to £31,882 per client household per annum.
- Multiplying the cost per household by the number of households (10,933) gives a cost of £349m per annum.

**Worked Example (*continued*)**

For the 65 per cent who would receive residential care:

- The estimated average annual basic package cost, per household unit, of service provision is £79,133 per client household per annum.
- The annual event cost per household unit per annum comes to £2,327. [There is more detail of this in section 2.5.4].
- So the total cost comes to £81,460 per client household per annum.
- Multiplying the cost per household by the number of households (20,305) gives a cost of £1.65bn per annum.

So the total cost of working with the individual without Supporting People services being available is £2.00bn per annum.

**Level of benefit**

The net financial benefit provided by the Supporting People services being available is the difference between the cost of providing services to the client group currently (£1.29bn) and the cost of providing the most appropriate alternative approach (£2.0bn). This comes to £711m in total.

**Note on alternative provision scenarios**

The alternative provision scenarios will be less geared to enabling independent living for the clients than the existing arrangements involving Supporting People services which are specifically designed for that purpose. Overall this research concludes that SP enables service provision that is cheaper than alternatives, but it is important to bear in mind that this is not the only consideration.

Supporting People services are provided to vulnerable people with the goal of maintaining or improving their capacity to live independently and, through that, avoiding social exclusion and maintaining quality of life. Within the context of this goal, the services can often provide a range of uncosted benefits.

In the example quoted, the reader will note that, for the 35 per cent of clients given a service package without the SP component, the cost of the alternative package is lower than that of the existing provision even when event costs are taken into account. This should not lead to the conclusion that it would necessarily be appropriate to remove Supporting People services from that group. Whilst that provision would be cheaper, and is assumed to be the most appropriate if Supporting People services were not available, it would not support independent living in the same way as the package involving Supporting People services and would not achieve the same uncosted benefits. (For this client group, these are discussed at the end of section 3.3.3. They include improved health and mobility, reduced fear of crime, reduced social exclusion, reduced reliance on informal carers and better access to employment.)

The reader might additionally note that, for the 65 per cent of clients given residential care under the alternative scenario, the alternative provision is more expensive than the existing provision. It does not seem likely that the additional expenditure would provide any kind of value-for-money. Indeed, it would not support independent living in the same way as the package involving Supporting People services. The clients concerned would not be in their own homes – a major disbenefit in the context of a goal of maintaining independence.

So the alternative scenario would do less to support independent living than provision of the existing package does, and the financial analysis alone understates the total benefit from Supporting People services. This will be the case for all client groups, because all of the alternative scenarios involve a combination provision of packages with SP elements removed and packages involving residential care.

It follows then, that the financial benefits generally understate the overall picture. Because of this, uncoded benefits from Supporting People are shown at the end of each of the sections where findings by client group are shown.

# Chapter 3

## Findings

### 3.1 Benefits from Supporting People

This part of the document describes, client group by client group, the levels of financial benefits from Supporting People.

The reader should note that not all client groups are considered in this research. Those that have been considered cover slightly over 95 per cent of Supporting People spending.

As already mentioned in section 2.4, many of the assumptions concerning the impacts of Supporting People in the earlier work (and re-used here) are not, and cannot be, supported by quantitative evidence. The results should therefore be understood as best estimates rather than certainties.

Findings by client group are given in this section, in full detail. Some supporting data is contained in appendix A, and this is referenced as appropriate.

### 3.2 Socially excluded groups

#### 3.2.1 *Women at risk of domestic violence*

##### ***Current arrangements and costs***

There are 9,520 units of support for women at risk of domestic violence provided or part-funded by Supporting People. Each household unit contains, on average 1 adult and 0.41 children. These are typically provided through women's refuges and through floating support for resettlement<sup>17</sup>.

Based upon the available data and evidence, we have estimated that the average cost of supporting women at risk of domestic violence through existing Supporting People packages is £33,723 per household unit per annum. This is based upon:

<sup>17</sup>The percentage of women experiencing domestic violence who have children in the household is 72 per cent [13], in 40 per cent [13] of these cases the children will also suffer domestic violence, and there are on average 1.4 children in these households [2]. Thus the average number of children who are also victims of domestic violence is  $72\% \times 40\% \times 1.4 = 0.41$ .

- A direct cost of providing the basic support package of £24,668. This includes a cost to Supporting People of £7,223, as well as housing and benefits costs. The breakdown of this is shown in table 6.2.1(i) of appendix A.
- Event costs arising from interventions and incidents of £9,055. These are shown later in this section, in table 3.2.1(i), and include (for example) health and criminal justice costs associated with recovery from and dealing with the domestic violence which has led to the need for support and assistance.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£321m** (£33,723 x 9,520).

### ***Impact and cost of withdrawal of Supporting People services***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give 100 per cent of household units the packages they currently receive but without the Supporting People component. This assumption has been made on the basis that intensive forms of support (residential care homes or hospitalisation) are inappropriate to the needs of the client group, which are generally for short-term crisis support and then resettlement support. Furthermore, because of the primary cause of the need for support is the individual at risk of domestic violence, it is has been assumed that support to them in their own homes should not be regarded as the default model<sup>18</sup>.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £17,445 per household unit (shown in table 6.2.1(ii), appendix A<sup>19</sup>).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £35,913; an increase of £26,858. The principal additional event costs would be:

<sup>18</sup> This assumption may need changing in future to reflect an increase in provision of support through the Sanctuary model.

<sup>19</sup> Both here and in all other individual client group sections, we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution. This is not restated in each section, but should be borne in mind when considering the reported findings.

- An average £23,237 cost arising from severe incidents of domestic violence; the costs arise from hospital, ambulance and Criminal Justice System (CJS) costs.
- An average £2,156 cost arising from homelessness, including social costs of homelessness and costs of emergency accommodation (e.g. B&B).
- An average £579 cost from homicides (corresponding to an increase from around 1 per 1000 population per annum to around 4 per 1000), including human and emotional costs and costs to the Health Service and CJS.
- An average £230 cost from tenancy failure.
- An average £224 from being a victim of a minor incident of domestic violence; the costs arise from hospital, ambulance and CJS costs.
- Additional other, less significant event costs which total to an annual average of £432.

These costs are shown in table 3.2.1(i).

The key hypothesis behind the additional event costs is that without Supporting People services clients will lack stable housing, emotional support and training in life skills and that this will lead to the costs above.

Average costs per household unit for all events under each scenario are shown in the following table.

<b>Table 3.2.1(i) Average costs per annum of events per unit of SP support, with SP and under the alternative scenario</b>			
<b>Event type</b>	<b>Cost per annum (with SP)</b>	<b>Cost per annum (alternative scenario)</b>	<b>Additional cost under alternative scenario</b>
Being a victim of a severe incidence of violence	£5,809	£29,046	£23,237
Being a victim of a minor incidence of violence	£56	£280	£224
Being a victim of homicide	£145	£724	£579
Being a victim of sexual assault	£2	£10	£8
Being admitted to hospital due to general health issue (woman)	£490	£544	£54
Being admitted to hospital due to general health issue (child)	£466	£518	£52



**Table 3.2.1(i)** Average costs per annum of events per unit of SP support, with SP and under the alternative scenario (*continued*)

Event type	Cost per annum (with SP)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Being admitted to an acute mental health ward (woman)	£65	£87	£22
Being admitted to an acute mental health ward (child)	£2	£2	£1
Visiting a GP as a result of violence (woman and children)	£29	£147	£117
Visiting a GP due to general health issue (woman)	£997	£1,108	£111
Visiting a GP due to general health issue (child)	£462	£513	£51
Attending an outpatient appointment (child)	£128	£135	£7
Attending an outpatient appointment (woman)	£165	£173	£9
Being visited by a community mental health nurse (woman)	£7	£8	£0
Being visited by a community mental health nurse (child)	£2	£2	£0
Experiencing homelessness	£0	£2,156	£2,156
Experiencing tenancy failure	£230	£460	£230
Being arrested for prostitution	£0	£0.2	£0.2
<b>Total</b>	<b>£9,055</b>	<b>£35,913</b>	<b>£26,858</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £53,358. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£508m** (£53,358 x 9,520).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£186.9m**. The breakdown of that financial benefit is as follows.

<b>Table 3.2.1(ii) Net benefit for women at risk of domestic violence</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(68.8)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Housing costs	17.0
Homelessness	3.5
Tenancy failure costs	2.2
Health service costs	103.1
Crime costs	129.9
Total benefit from other cost areas	255.7
<b>Overall net benefit</b>	<b>186.9</b>

The financial benefits are that:

- Costs of crime against the women and their families are reduced. These costs are principally costs to the Criminal Justice System, although there are also some costs modelled concerning the emotional costs to the victims.
- Costs relating to housing, homelessness and tenancy failure are reduced, because the services given support their clients in moving from or avoiding situations where they are at risk of them.
- Health service costs are reduced through reductions in violent incidents and through improved general health of women and their children.

The costs offset against the benefits is

- The £68.8m cost of providing the Supporting People services themselves.

As remarked in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services. Women at risk of domestic violence who then resettle in a new home may then be at risk of homelessness (if, for example, they do not have the necessary tenancy and / or life skills to support themselves effectively). Resettlement support assists in managing and mitigating that risk and, therefore, the support services provided through SP may also contribute to reducing future need for support or for other services.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for women at risk of domestic violence as

- improved quality of life for the individual and children including greater independence, decreased vulnerability, improved health, and greater choice of options on where and how to live;
- greater stability – this is important in allowing women and children to get on with their lives and concentrate on the future, and to improve mental health, physical health, educational outcomes, employment opportunities and social integration;
- reduced fear – enables women and children to continue with their lives and focus on other areas of their life such as employment and education; and
- improved involvement in the community (benefiting both the individual and society) and also labour market participation.

### **3.2.2 *Homeless families in settled accommodation***

#### ***Current arrangements and costs***

There are 9,423 household units of homeless families in settled accommodation receiving Supporting People services, containing on average 2.88 people each<sup>20</sup>.

Based upon the available data and evidence, we have estimated that the average cost of supporting homeless families in settled accommodation through existing Supporting People packages is £25,595 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £20,894. This includes a cost to Supporting People of £3,449, as well as housing and benefits costs. The breakdown of this is shown in table 6.2.2(i) of Appendix A.
- Event costs arising from interventions and incidents of £4,702. These are shown later in this section in table 3.2.2(i) and include (for example) costs arising if people receiving support experience repeat homelessness and costs arising from crimes committed against homeless families.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£241.2m** (£25,595 x 9,423).

<sup>20</sup>This comes from an estimate made by Matrix [2] of the number of adults per homeless families as 1.2, and an estimate of the number of children per homeless family as 1.68. [17]

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give 100 per cent of household units the packages they currently receive but without the Supporting People component. This assumption has been made on the basis that:

- This would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- More intensive forms of support (residential care homes or hospitalisation) are inappropriate to the needs of the client group, which are generally for resettlement support and training in life skills.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £17,445 per household unit (shown in table 6.2.2(ii), appendix A).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £8,093; an increase of £3,391. The principal additional event costs would be :
  - An average of £816 from repeat homelessness consisting of tenancy breakdown and social costs.
  - An average of £757 from temporary accommodation needs arising from repeat homelessness.
  - An average of £456 from an adult requiring hospital admission due to a general health issue, plus an average of £343 from a child requiring hospital admission due to a general health issue.
  - An average of £364 for visits to an A&E department.
  - An average of £142 from adults requiring outpatient appointments and £134 from children requiring outpatient appointments.
  - Additional other, less significant event costs which total to an annual average of £380.

These costs are shown in table 3.2.2(i).

The key hypothesis behind the additional event costs is that without Supporting People services clients will be at risk of loss of tenancy and repeat homelessness, and that they will additionally lack emotional support and training in life skills. That will lead to the costs above. Average costs per household unit for all events under each scenario are shown in the following table.

<b>Table 3.2.2(i) Average costs per annum of events per unit of SP support, with SP and under the alternative scenario</b>			
<b>Event type</b>	<b>Cost per annum (basic package)</b>	<b>Cost per annum (alternative scenario)</b>	<b>Additional cost under alternative scenario</b>
Experiencing repeat homelessness within a year	£204	£1,020	£816
Experiencing repeat homelessness within a year and needing emergency accommodation	£189	£946	£757
Being admitted to hospital due to general health issue (adult)	£1,065	£1,521	£456
Being admitted to hospital due to general health issue (child)	£801	£1,144	£343
Attending an outpatient appointment (adult)	£332	£474	£142
Attending an outpatient appointment (child)	£312	£446	£134
Visiting an A&E department	£848	£1,212	£364
Being admitted to an acute mental health ward (adult)	£250	£357	£107
Being admitted to an acute mental health ward (child)	£20	£28	£8
Being visited by a community mental health nurse (adult)	£6	£9	£3
Being visited by a community mental health nurse (child)	£2	£3	£1
Visiting a GP due to general health issue (adult)	£265	£379	£114
Visiting a GP due to general health issue (child)	£149	£212	£64
Being a victim of burglary	£80	£102	£22

**Table 3.2.2(i)** Average costs per annum of events per unit of SP support, with SP and under the alternative scenario (*continued*)

Event type	Cost per annum (basic package)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Being a victim of street crime (violent crime or mugging)	£170	£219	£48
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£22	£13
<b>Total</b>	<b>£4,702</b>	<b>£8,093</b>	<b>£3,391</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £25,538. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£240.6m** (£25,538 x 9,423).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **-£0.5m**, a negative figure.

The breakdown of that financial benefit is as follows.

**Table 3.2.2(ii)** Net benefit for homeless families in settled accommodation

Cost of providing SP services	(Cost) £m
Cost of providing SP services	(32.5)
Other cost areas affected	Benefit / (cost) £m
Housing costs	7.1
Homelessness	1.6
Tenancy failure costs	6.1
Health service costs	16.5
Crime costs	0.7
Total benefit from other cost areas	32.0
<b>Overall net benefit</b>	<b>(0.5)</b>

The financial benefits are that:

- Costs relating to housing, homelessness and tenancy failure are reduced, because the risk of repeat homelessness is reduced.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident and Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.
- Crime costs are reduced through clients being given advice to help them avoid burglary and street crime.

The cost offset against the benefits is

- The £32.5m cost of providing the Supporting People services themselves.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of homeless families and a consequent reduction in the cost of supporting them or providing alternative services. The hypothesis would be that this arises through providing people with resettlement support that reduces the likelihood of their becoming homeless again.

It is in the context of this observation and the non-financial benefits documented below, that the negative figure of -£0.5m must be seen. It does not indicate that homeless families in settled accommodation should not be provided with housing-related support.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for homeless families as:

- improved quality of life for the family including greater independence, decreased vulnerability, improved health, and greater choice of options on where and how to live;
- greater stability – this is important in allowing homeless families to deal with other issues in their lives – education, unemployment, mental health problems and behavioural problems;
- improved educational achievement – children are able to regularly attend the same school, and can do so regularly with less disruption;
- decreased social exclusion – homeless children are at greater risk of bullying and frequent moves can make them more isolated from their peers;

- long-term benefits to children – better educational achievements and improved health outcomes in the long term;
- families can be kept together; and
- families are able to live independently – allowing life skills to be passed to children and therefore having benefits to society over the long term.

### **3.2.3 Homeless families in temporary accommodation**

#### ***Current arrangements and costs***

There are 3,678 household units of homeless families in temporary accommodation receiving Supporting People services, containing on average 2.88 people each<sup>21</sup>.

Based upon the available data and evidence, we have estimated that the average cost of supporting homeless families in temporary accommodation through existing Supporting People packages is £41,902 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £22,210. This includes a cost to Supporting People of £4,765, as well as housing and benefits costs. The breakdown of this is shown in table 6.2.3(i) of Appendix A.
- Event costs arising from interventions and incidents of £19,692. These are shown later in this section in table 3.2.3(i) and include (for example) costs arising if people receiving support fail to progress to settled housing and costs arising from crimes committed against homeless families.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£154.1m** (£41,902 x 3,678).

#### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give 100 per cent of household units the packages they currently receive but without the Supporting People component. This assumption has been made on the basis that:

- This would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and

<sup>21</sup> This comes from an estimate made by Matrix [2] of the number of adults per homeless family as 1.2, and an estimate of the number of children per homeless family as 1.68. [17]



- More intensive forms of support (residential care homes or hospitalisation) are inappropriate to the needs of the client group, which are generally for short-term crisis and resettlement support.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £17,445 (shown in table 6.2.3(ii), appendix A) per household unit.
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £32,195; an increase of £12,503. The principal additional event costs would be:
  - An average of £7,282 from failure to progress from temporary to settled housing, arising primarily from the high costs of temporary accommodation.
  - An average of £1,316 from an adult requiring hospital admission due to a general health issue plus an average of £990 from a child requiring hospital admission due to a general health issue.
  - An average of £1,049 for visits to an A&E department.
  - An average of £410 from adults requiring outpatient appointments and £386 from children requiring outpatient appointments.
  - Additional other, less significant event costs which total to an annual average of £1,070.

These costs are shown in table 3.2.3(i).

The key hypothesis behind the additional event costs is that without Supporting People services clients will be at risk of failure to proceed to settled housing, and that they will additionally lack emotional support and training in life skills and that will lead to the costs above.

Average costs per household unit for all events under each scenario are shown in the following table.

**Table 3.2.3(i)** Average costs per annum of events per unit of SP support, with SP and under the alternative scenario

Event type	Cost per annum (basic package)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Failing to progress from temporary accommodation to settled housing	£7,282	£14,563	£7,282
Being admitted to hospital due to general health issue (adult)	£3,071	£4,388	£1,316
Being admitted to hospital due to general health issue (child)	£2,309	£3,299	£990
Attending an outpatient appointment (adult)	£957	£1,368	£410
Attending an outpatient appointment (child)	£901	£1,288	£386
Visiting an A&E department	£2,447	£3,495	£1,049
Being admitted to an acute mental health ward (adult)	£721	£1,029	£309
Being admitted to an acute mental health ward (child)	£57	£82	£24
Being visited by a community mental health nurse (adult)	£17	£24	£7
Being visited by a community mental health nurse (child)	£5	£8	£2
Visiting a GP due to general health issue (adult)	£765	£1,093	£328
Visiting a GP due to general health issue (child)	£429	£612	£184
Being a victim of burglary	£230	£293	£63
Being a victim of street crime (violent crime or mugging)	£492	£631	£140
Being arrested for prostitution	£0	£0.2	£0.2
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£22	£13
<b>Total</b>	<b>£19,692</b>	<b>£32,195</b>	<b>£12,503</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £49,640. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is £182.6m (£49,640 x 3,678).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£28.5m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.2.3(ii) Net benefit for homeless families in temporary accommodation</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(17.5)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Housing costs	22.3
Homelessness	4.5
Health service costs	18.5
Crime costs	0.7
Total benefit from other cost areas	46.0
<b>Overall net benefit</b>	<b>28.5</b>

The financial benefits are that:

- Costs relating to housing and homelessness are reduced, because the services aid progression into settled housing.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident and Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.
- Crime costs are reduced through clients being given advice to help them avoid burglary and street crime.

The cost offset against the benefits is

- The £17.5m cost of providing the Supporting People services themselves.

The financial benefits are larger than for provision of settled accommodation because the higher turnover of service users results in benefits to a larger number of people; additionally the impact on housing costs and homelessness is greater because of the pivotal role of temporary accommodation in helping people to secure places in settled housing.

As remarked in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of homeless families and a consequent reduction in the cost of supporting them or providing alternative services. The hypothesis would be that this arises through providing people with resettlement support and life skills that reduce the likelihood of their becoming homeless again.

### ***Non-financial elements***

As explained in section 3.2.2, the earlier research [2] identified uncoded benefits from Supporting People for homeless families as:

- improved quality of life for the family including greater independence, decreased vulnerability, improved health, and greater choice of options on where and how to live;
- greater stability – this is important in allowing homeless families to deal with other issues in their lives – education, unemployment, mental health problems and behavioural problems;
- improved educational achievement – children are able to regularly attend the same school, and can do so regularly with less disruption;
- decreased social exclusion – homeless children are at greater risk of bullying and frequent moves can make them more isolated from their peers;
- long-term benefits to children – better educational achievements and improved health outcomes in the long term;
- families can be kept together; and
- families are able to live independently – allowing life skills to be passed to children and therefore having benefits to society over the long term.

### **3.2.4 Homeless single people in settled accommodation**

#### ***Current arrangements and costs***

There are 26,160 household units of homeless single people in settled accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting homeless single people in settled accommodation through existing Supporting People packages is £31,605 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £14,643. This includes a cost to Supporting People of £4,973, as well as housing, crime and benefits costs. The breakdown of this is shown in table 6.2.4(i) of appendix A.
- Event costs arising from interventions and incidents of £16,962. These are shown later in this section in table 3.2.4(i) and include (for example) costs arising if people receiving support experience repeat homelessness and costs of clients committing criminal offences.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£826.8m** (£31,605 x 26,160).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give 100 per cent of household units the packages they currently receive but without the Supporting People component. This assumption has been made on the basis that:

- This would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- More intensive forms of support (residential care homes or hospitalisation) are inappropriate to the needs of the client group, which are generally for resettlement support and training in life skills.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £9,671 per household unit (shown in table 6.2.4(ii), appendix A).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents

would now be £23,108; an increase of £6,146. The principal additional event costs would be:

- An average of £3,532 from offending behaviour, involving both CJS costs and the costs of dealing with the consequences of crime (such as hospital treatment of victims and repair of damage to property.)
- An average of £814 from experiencing repeat homelessness within a year, consisting of tenancy breakdown and social costs.
- Other costs from repeat homelessness: These are an average of £421 from costs of emergency accommodation and £206 from rough sleeping.
- An average of £380 from admission to hospital due to a general health issue.
- An average of £171 in drug treatment costs.
- An average of £164 from admission to Accident and Emergency.
- Additional other, less significant event costs which total to an annual average of £459.

These costs are shown in table 3.2.4(i).

The key hypothesis behind the additional event costs is that without Supporting People services clients will be at risk of loss of tenancy and repeat homelessness, and that they will additionally lack emotional support and training in life skills and that will lead to the costs above.

Average costs per household unit for all events under each scenario are shown in the following table.

<b>Table 3.2.4(i)</b> Average costs per annum of events per unit of SP support, with SP and under the alternative scenario			
<b>Event type</b>	<b>Cost per annum (basic package)</b>	<b>Cost per annum (alternative scenario)</b>	<b>Additional cost under alternative scenario</b>
Experiencing repeat homelessness within a year	£203	£1,017	£814
Needing emergency temporary accommodation	£105	£526	£421
Sleeping rough	£51	£257	£206
Being admitted to hospital due to general health issue	£887	£1,267	£380

**Table 3.2.4(i)** Average costs per annum of events per unit of SP support, with SP and under the alternative scenario (*continued*)

Event type	Cost per annum (basic package)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Attending an outpatient appointment	£277	£395	£119
Being visited by a community mental health nurse	£5	£7	£2
Visiting an A&E department	£382	£546	£164
Being admitted to an acute mental health ward	£208	£297	£89
Being treated for drug problems	£398	£569	£171
Being treated for alcohol problems	£174	£249	£75
Being a victim of assault while sleeping rough	£31	£153	£122
Being a victim of burglary	£31	£39	£9
Being a victim of street crime (violent crime or mugging)	£68	£93	£25
Being convicted for reoffending	£14,127	£17,659	£3,532
Being arrested for prostitution	£0.1	£0.3	£0.2
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£13	£32	£19
<b>Total</b>	<b>£16,962</b>	<b>£23,108</b>	<b>£6,146</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £32,779. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£857.5m** (£32,779 x 26,160).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£30.7m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.2.4(ii) Net benefit for homeless single people in settled accommodation</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(130.1)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Housing costs	11.0
Homelessness	9.7
Tenancy failure costs	16.9
Health service costs	26.0
Social services care	0.7
Crime costs	96.5
Total benefit from other cost areas	160.8
<b>Overall net benefit</b>	<b>30.7</b>

The financial benefits are that:

- Costs relating to housing, homelessness and tenancy failure are reduced, because the risks of repeat homelessness, requiring temporary accommodation and sleeping rough are reduced.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident and Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.
- Health and social services costs are reduced because of a lower incidence of drug and alcohol problems.
- Crime costs are reduced through clients being given advice to help them avoid burglary and street crime, and through reductions in their own re-offending.

The cost offset against the benefits is

- The £130.1m cost of providing the Supporting People services themselves.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of homeless single people and a consequent reduction in the cost of supporting them or providing alternative



services. The hypothesis would be that this arises through providing people with resettlement support and life skills that reduce the likelihood of their becoming homeless again.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from single homeless people as:

- improved quality of life for the individual including greater independence, decreased vulnerability, improved health, and greater choice of options on where and how to live;
- greater stability – this is important in allowing single homeless people to deal with other issues in their lives, such as substance abuse, unemployment, mental health problems and offending and behavioural problems;
- decreased fear of crime;
- easier access to appropriate services; and
- improved involvement in the community (benefiting both the individual and society).

## **3.2.5 Homeless single people in temporary accommodation**

### ***Current arrangements and costs***

There are 12,878 household units of homeless single people in temporary accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting homeless single people in temporary accommodation is £86,952 unit per annum. This is based upon:

- A direct cost of providing the basic support package of £21,710. This includes a cost to Supporting People of £8,283, as well as housing, crime and benefits costs. The breakdown of this is shown in table 6.2.5(i) in appendix A.
- Event costs arising from interventions and incidents of £65,241. These are shown later in this section in table 3.2.5(i) and include (for example) costs of clients committing criminal offences or failing to progress to settled accommodation.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£1,119.8m** (£86,952 x 12,878).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give 100 per cent of household units the packages they currently receive but without the Supporting People component. This assumption has been made on the basis that:

- This would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- More intensive forms of support (residential care homes or hospitalisation) are inappropriate to the needs of the client group, which are generally for short-term crisis support.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £13,427 per household unit (shown in table 6.2.5(ii), appendix A).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £81,054; an increase of £15,813. The principal additional event costs would be:
  - An average of £4,216 from failure to progress from temporary to settled housing, arising primarily from the high costs of temporary accommodation.
  - An average of £3,560 from social costs associated with rough sleeping, and an average of £2,115 from being assaulted while sleeping rough.
  - An average of £2,955 from offending behaviour, involving both CJS costs and the costs of dealing with the consequences of crime (such as hospital treatment of victims and repair of damage to property.)
  - An average of £1,097 from admission to hospital due to a general health issue.
  - An average of £493 in drug treatment costs.
  - An average of £472 from admission to Accident and Emergency.
  - An average of £342 from attending outpatients' appointments.

- Additional other, less significant event costs which total to an annual average of £563.

These costs are shown in table 3.2.5(i).

The key hypothesis behind the additional event costs is that without Supporting People services clients will lack stable housing, emotional support and training in life skills and that this will lead to the costs above.

Average costs per household unit for all events under each scenario are shown in the following table.

<b>Table 3.2.5(i)</b> Average costs per annum of events per unit of SP support, with SP and under the alternative scenario			
<b>Event type</b>	<b>Cost per annum (basic package)</b>	<b>Cost per annum (alternative scenario)</b>	<b>Additional cost under alternative scenario</b>
Failing to move from temporary accommodation into settled accommodation	£10,323	£14,539	£4,216
Sleeping rough	£0	£3,560	£3,560
Being admitted to hospital due to general health issue	£2,559	£3,656	£1,097
Attending an outpatient appointment	£798	£1,140	£342
Being visited by a community mental health nurse	£14	£20	£6
Visiting an A&E department	£1,102	£1,575	£472
Being admitted to an acute mental health ward	£601	£858	£257
Being treated for drug problems	£1,149	£1,642	£493
Being treated for alcohol problems	£502	£717	£215
Being a victim of assault while sleeping rough	£0	£2,115	£2,115
Being a victim of street crime (violent crime or mugging)	£197	£269	£71
Being convicted for reoffending	£47,987	£50,942	£2,955
Being arrested for prostitution	£0.07	£0.35	£0.28

**Table 3.2.5(i)** Average costs per annum of events per unit of SP support, with SP and under the alternative scenario (*continued*)

Event type	Cost per annum (basic package)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£22	£13
<b>Total</b>	<b>£65,241</b>	<b>£81,054</b>	<b>£15,813</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £94,481. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£1,216.7m** (£94,481 x 12,878).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£97.0m**.

The breakdown of that financial benefit is as follows.

**Table 3.2.5(ii)** Net benefit for homeless single people in temporary accommodation

Cost of providing SP services	(Cost) £m
Cost of providing SP services	(106.7)
Other cost areas affected	Benefit / (cost) £m
Housing costs	45.3
Homelessness	54.8
Health service costs	36.3
Social services care	1.0
Crime costs	66.2
Total benefit from other cost areas	203.6
<b>Overall net benefit</b>	<b>97.0</b>

The financial benefits are that:

- Costs relating to housing and homelessness are reduced, because the risks of sleeping rough and failure to move into settled accommodation are reduced.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident and Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.
- Health and social services costs are reduced because of a lower incidence of drug and alcohol problems.
- Crime costs are reduced through clients being given advice to help them avoid burglary and street crime, and through reductions in their own re-offending.

The cost offset against the benefits is

- The £106.7m cost of providing the Supporting People services themselves.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of homeless single people and a consequent reduction in the cost of supporting them or providing alternative services. The hypothesis would be that this arises through providing people with resettlement support and life skills that reduce the likelihood of their becoming homeless again.

### ***Non-financial elements***

As described in section 3.2.4, the earlier research [2] identified uncoded benefits from single homeless people as:

- improved quality of life for the individual including greater independence, decreased vulnerability, improved health, and greater choice of options on where and how to live;
- greater stability – this is important in allowing single homeless people to deal with other issues in their lives, such as substance abuse, unemployment, mental health problems and offending and behavioural problems;
- decreased fear of crime;
- easier access to appropriate services; and
- improved involvement in the community (benefiting both the individual and society).

### 3.2.6 *Offenders or people at risk of offending, and mentally disordered offenders*

#### ***Current arrangements and costs***

There are 7,983 household units of offenders or people at risk of offending, and mentally disordered offenders receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting this client group through existing Supporting People packages is £65,405 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £22,496. This includes a cost to Supporting People of £6,935, as well as housing, crime and benefits costs. The breakdown of this is shown in table 6.2.6(i) in appendix A.
- Event costs arising from interventions and incidents of £42,909. These are shown later in this section in table 3.2.6(i) and include (for example) costs of re-offending and being treated for alcohol problems.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£522.1m** (£65,405 x 7,983).

#### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give 100 per cent of household units the packages they currently receive but without the Supporting People component. This assumption has been made on the basis that:

- This would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- More intensive forms of support (residential care homes or hospitalisation) are inappropriate to the needs of the client group, which are generally for help in maintaining stable housing, accessing other services and establishing life skills that they may lack, particularly after periods of imprisonment.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £15,562 per household unit (shown in table 6.2.6(ii), appendix A).

- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by the provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £54,891; an increase of £11,983. The principal additional event costs would be:
  - An average £10,327 cost of offending behaviour, involving both CJS costs and the costs of dealing with the consequences of crime (such as hospital treatment of victims and repair of damage to property.)
  - A cost of £1,459 from experiencing homelessness, consisting of a high cost of temporary accommodation and other social costs.
  - Additional other, less significant costs which total to an average of £197.

These costs are shown in table 3.2.6(i).

The key hypothesis behind the additional event costs is that Supporting People services, through providing services that allow offenders or people at risk of offending, and mentally disordered offenders to sustain stable living arrangements, produce a significant reduction in recidivism.

Average costs per household unit for all events under each scenario are shown in the following table.

<b>Table 3.2.6(i)</b> Average costs per annum of events per unit of SP support, with SP and under the alternative scenario			
<b>Event type</b>	<b>Cost per annum (basic package)</b>	<b>Cost per annum (alternative scenario)</b>	<b>Additional cost under alternative scenario</b>
Being admitted to hospital due to general health issue	£419	£441	£22
Visiting an A&E department	£111	£117	£6
Being visited by a community mental health nurse	£13	£13	£1
Being admitted to an acute mental health ward	£225	£237	£12
Visiting a community health service (not mental)	£82	£87	£4
Being treated for drug problems	£179	£188	£9
Being treated for alcohol problems	£320	£337	£17

**Table 3.2.6(i)** Average costs per annum of events per unit of SP support, with SP and under the alternative scenario (*continued*)

Event type	Cost per annum (basic package)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Being convicted for reoffending	£41,308	£51,636	£10,327
Experiencing homelessness	£0	£1,459	£1,459
Experiencing tenancy failure	£69	£138	£69
Having children taken into the care of social services (offenders who are mothers)	£173	£217	£43
Being arrested for prostitution	£0	£0	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£22	£13
<b>Total</b>	<b>£42,909</b>	<b>£54,891</b>	<b>£11,983</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £70,453. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£562.4m** (£70,453 x 7,983).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£40.3m**.



The breakdown of that financial benefit is as follows.

<b>Table 3.2.6(ii) Net benefit for offenders or people at risk of offending, and mentally disordered offenders</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(55.4)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Housing costs	9.7
Homelessness	1.9
Tenancy failure costs	0.6
Health service costs	0.7
Social services care	0.3
Crime costs	82.4
Total benefit from other cost areas	95.7
<b>Overall net benefit</b>	<b>40.3</b>

The major financial benefits are that:

- Crime costs are reduced through a significant reduction in re-offending which in turn reduces financial costs associated with victims (e.g. treatment in hospital), CJS costs of investigation and trial and NOMS costs of imprisonment.
- Health service costs are reduced through lower use of drug and alcohol services, Accident and Emergency and community health services, and fewer admissions to hospital for physical and mental health problems.
- Social services costs are reduced through a lower incidence of children needing to be cared for because of their mothers re-offending and being imprisoned.
- Costs of homelessness and housing are reduced because of a reduction in the level of failure of accommodation arrangements including tenancies.

The cost offset against the benefits is

- The £55.4m cost of providing Supporting People services.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of people at risk of offending and a consequent reduction in the costs of both supporting them and dealing with

the resultant crimes. The hypothesis would be that this arises through providing people with resettlement support and life skills which allow them to maintain stable housing and, through that, reduce the likelihood of their re-offending in the long term.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for offenders or people at risk of offending, and mentally disordered offenders as:

- improved quality of life for the individual through more flexible housing, support arrangements being more responsive to need, and improved health;
- greater housing stability allowing people at risk of offending to deal with other issues in their lives such as alcohol and drug dependency problems;
- acquisition skills such as cooking and shopping that have been lost after being institutionalised;
- providing help with mental health problems;
- providing easier access to appropriate services;
- increased employment opportunities for offenders; and
- reduced fear of crime in the community.

## **3.2.7 Teenage parents**

### ***Current arrangements and costs***

There are 3,825 household units of teenage parents receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting teenage parents through existing Supporting People packages is £24,863 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £21,233. This includes a cost to Supporting People of £6,520, as well as housing and benefits costs. The breakdown of this is shown in table 6.2.7(i) in appendix A.
- Event costs arising from interventions and incidents of £3,630. These are shown later in this section in table 3.2.7(i) and include (for example) costs of homelessness and being admitted to hospital due to a pregnancy-related issue.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£95.1m** (£24,863 x 3,825).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give 100 per cent of household units the packages they currently receive but without the Supporting People component. This assumption has been made on the basis that:

- This would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- More intensive forms of support (residential care homes or hospitalisation) are inappropriate to the needs of the client group, which are generally for help in maintaining stable housing, accessing other services and establishing life skills that they may lack, and more escalated forms of support would impede their independence rather than help with it

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £14,713 per household unit (shown in table 6.2.7(ii), appendix A).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £5,354; an increase of £1,724. The principal additional event costs would be:
  - An average of £862 from experiencing homelessness consisting of a high cost of temporary accommodation and other social costs.
  - An average of £300 from admissions to hospital due to pregnancy-related health issues.
  - An average of £185 from having second children as a teenager, based on the cost of the Sure Start program for teenage parents and the increased likelihood of having children taken into local authority care.
  - An average of £147 from having children taken into the care of social services
  - Additional other, less significant costs which total to an average of £230.

These costs are shown in table 3.2.7(i).

The key hypothesis behind the additional event costs is that without Supporting People services, teenage parents will lack stable housing, emotional support and training in life skills and that this will lead to an inability to cope with their situation, resulting in the costs above.

Average costs per household unit for all events under each scenario are shown in the following table.

<b>Table 3.2.7 (i) Average costs per annum of events per unit of SP support, with SP and under the alternative scenario</b>			
<b>Event type</b>	<b>Cost per annum (basic package)</b>	<b>Cost per annum (alternative scenario)</b>	<b>Additional cost under alternative scenario</b>
Having children taken into the care of social services	£273	£420	£147
Being admitted to hospital due to a pregnancy-related health issue	£899	£1,198	£300
Attending an outpatient appointment	£156	£173	£17
Being visited by a community mental health nurse	£3	£3	£0
Visiting an A&E department	£180	£239	£60
Being admitted to an acute mental health ward	£40	£47	£7
Being a victim of burglary	£93	£105	£12
Visiting a GP due to a general health issue	£526	£554	£28
Experiencing homelessness	£0	£862	£862
Experiencing tenancy failure	£172	£230	£57
Being admitted to hospital due to a general health issue	£385	£405	£20
Being arrested for prostitution	£0.07	£0.35	£0.28
Visiting a GP due to the baby's health	£526	£554	£28
Having a second child as a teenager	£376	£562	£185
<b>Total</b>	<b>£3,630</b>	<b>£5,354</b>	<b>£1,724</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £20,066. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£76.8m** (£20,066 x 3,825).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **-£18.3m**, a negative figure.

The breakdown of that financial benefit is as follows.

<b>Table 3.2.7 (ii) Net benefit for teenage parents</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(24.9)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Housing Costs	2.7
Homelessness	0.6
Tenancy failure costs	0.2
Health service costs	1.8
Social services care	0.6
Other Services	0.7
Total benefit from other cost areas	6.6
<b>Overall net benefit</b>	<b>(18.3)</b>

The financial benefits are that:

- Costs of homelessness and housing are reduced because of a reduction in the level of failure of accommodation arrangements including tenancies.
- Health service costs are reduced through fewer admissions to hospital for both pregnancy-related and general health issues, lower use of Accident and Emergency and community health services, and fewer admissions to hospital for mental health problems.
- Social services costs are reduced through lower incidence of children needing to be taken into local authority care.

The cost offset against the benefits is

- The £24.9m cost of providing Supporting People services.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the risk of problems such as social exclusion for the client group and their children. This would produce a reduction in the cost of supporting them or of providing alternative services. The hypothesis would be that this arises through providing young people with life skills that reduce the likelihood of their experiencing problems (or repeat problems) in the long term.

It is in the context of this observation and the non-financial benefits documented below, that the negative figure of -£18.3m must be seen. It does not indicate that teenage parents should not be provided with housing-related support.

### ***Non-financial elements***

The earlier research [2] did not cover this client group and therefore, it did not identify uncoded benefits for them. We have, however, reviewed the non-financial benefits listed for other client groups, and identified that the following apply to teenage parents:

- improved quality of life for the individual through more flexible housing, support arrangements being more responsive to need;
- improved educational and health outcomes for their children;
- improved mental and physical health;
- providing easier access to appropriate services;
- reduced fear of crime in the community;
- acquisition of life skills such as cooking, shopping and management of finances; and
- greater choice in options of where and how to live.

## **3.2.8 Young people at risk in settled accommodation**

### ***Current arrangements and costs***

For the purposes of the Supporting People programme, “young people at risk” are defined as homeless young people and those in insecure accommodation. There are 13,935 household units of young people at risk in settled accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting young people at risk in settled accommodation through existing Supporting People packages is £31,564 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £15,005. This includes a cost to Supporting People of £6,807, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.8(i) of appendix A.
- Event costs arising from interventions and incidents of £16,559. These are shown later in this section in table 3.2.8(i)(a) and include (for example) committing criminal offences or becoming a victim of homelessness.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£439.8m** (£31,564 x 13,935).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give:

- Ninety-five per cent of them (13,238 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to the needs of the client group and would impede their independence rather than help with it; and
- Five per cent of them (697 households) inpatient psychiatric care, on the basis that this percentage of clients would be too vulnerable to live independently in the absence of support and would require hospital care as the most effective alternative way to manage their underlying problems.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People and the introduction of psychiatric care, it would change the direct cost of packages for supporting the group. This would now be on average £11,697 per household unit. This is based on an average of £8,198 (shown in table 6.2.8(ii), appendix A) for the 95 per cent receiving current services but without the SP component and £78,184 (shown in table 6.2.8(iii), appendix A) for the 5 per cent receiving psychiatric care. ( $£8,198 \times 95\% + £78,184 \times 5\% = £11,697$ ).

- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by the provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £21,779, an increase of £5,220. This is made up of an increase of £5,495 for those who, in the absence of SP, would receive the arrangements they receive at present, and a zero change for those who in the absence of SP would receive residential or nursing care. ( $£5,495 \times 95\% + £0 \times 5\% = £5,220$ .)

The increase of £5,495 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £3,532 increase in costs relating to offending (these are principally CJS system costs associated with offending, but they also include some costs in dealing with the consequences of crime).
- An average £814 increase in costs relating to homelessness, plus an additional £421 relating to needing temporary accommodation and £206 related to sleeping rough.
- An average of £523 in other costs.

These costs are shown in table 3.2.8(i)(a).

The key hypothesis behind the additional event costs is that without Supporting People services clients will lack stable housing, emotional support and training in life skills and that this will lead to the costs above.

The hypothesis behind the zero increase in event costs for clients receiving hospital care (shown in table 3.2.8(i)(b)) is that these interventions would have a similar level of impact to Supporting People services in reducing the level of events.



**Table 3.2.8(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Experiencing repeat homelessness within a year	£203	£1,017	£814
Needing emergency temporary accommodation	£105	£526	£421
Sleeping rough	£51	£257	£206
Being admitted to hospital due to general health issue	£673	£792	£119
Attending an outpatient appointment	£210	£247	£37
Being visited by a community mental health nurse	£3.3	£3.6	£0.3
Visiting an A&E department	£205	£273	£68
Being admitted to an acute mental health ward	£57	£68	£10
Being treated for drug problems	£335	£394	£59
Being treated for alcohol problems	£211	£249	£37
Being a victim of assault while sleeping rough	£31	£153	£122
Being a victim of burglary	£106	£119	£13
Being a victim of street crime (violent crime or mugging)	£227	£264	£37
Being convicted for reoffending	£14,127	£17,659	£3,532
Being arrested for prostitution	£0.1	£0.3	£0.2
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£13	£32	£19
<b>Total</b>	<b>£16,559</b>	<b>£22,054</b>	<b>£5,495</b>

**Table 3.2.8(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with hospital care

Event type	Cost per annum (basic package)	Cost per annum (hospital care)	Additional cost (hospital care)
Experiencing repeat homelessness within a year	£203	£203	£0
Needing emergency temporary accommodation	£105	£105	£0
Sleeping rough	£51	£51	£0
Being admitted to hospital due to general health issue	£673	£673	£0
Attending an outpatient appointment	£210	£210	£0
Being visited by a community mental health nurse	£3	£3	£0
Visiting an A&E department	£205	£205	£0
Being admitted to an acute mental health ward	£57	£57	£0
Being treated for drug problems	£335	£335	£0
Being treated for alcohol problems	£211	£211	£0
Being a victim of assault while sleeping rough	£31	£31	£0
Being a victim of burglary	£106	£106	£0
Being a victim of street crime (violent crime or mugging)	£227	£227	£0
Being convicted for reoffending	£14,127	£14,127	£0
Being arrested for prostitution	£0.1	£0.1	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£13	£13	£0
<b>Total</b>	<b>£16,559</b>	<b>£16,559</b>	<b>£0</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £33,476. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£466.5m** (£33,476 x 13,935).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£26.6m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.2.8(ii) Net benefit for young people at risk in settled accommodation</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(94.9)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential Package	49.5
Housing costs	2.7
Homelessness	4.9
Tenancy failure costs	8.6
Health service costs	4.6
Crime costs	49.0
Benefits and Related Services	2.0
Total benefit from other cost areas	121.5
<b>Overall net benefit</b>	<b>26.6</b>

The financial benefits are that:

- Costs of residential care are avoided, although, offset against this, some living costs (categorised as 'Benefits and Related Services') are incurred, because clients have a higher living cost with SP than they would in hospital.
- Costs relating to housing, homelessness and tenancy failure are reduced, because the risks of repeat homelessness, requiring temporary accommodation and sleeping rough are reduced.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident and Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.

- Health and social services costs are reduced because of a lower incidence of drug and alcohol problems.
- Crime costs are reduced through clients being given advice to help them avoid burglary and street crime, and through reductions in their own re-offending.

The cost offset against the benefits is

- The £94.9m cost of providing the Supporting People services themselves.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of people at risk and a reduction in the cost of supporting them or of providing alternative services. The hypothesis would be that this arises through providing young people with life skills that reduce the likelihood of their experiencing problems (or repeat problems) in the long term.

It should also be noted that the model will show considerable sensitivity to changes in the key assumption of the 95%/5% split between support packages.

### ***Non-financial elements***

The research carried out in 2004 [2] did not identify uncoded benefits for this client group. However, as part of the research carried out in 2006 [1], it was assumed, with validation by CLG, that young people at risk gain similar benefits from Supporting People to those gained by single homeless people. The non-financial benefits identified are:

- improved quality of life for the individual through more flexible housing, support arrangements being more responsive to need, and improved health;
- greater housing stability allowing people at risk of offending to deal with other issues in their lives such as alcohol and drug dependency problems;
- acquisition skills such as cooking and shopping that have been lost after being institutionalised;
- providing help with mental health problems;
- providing easier access to appropriate services;
- increased employment opportunities for young people at risk; and
- reduced fear of crime in the community.

### 3.2.9 *Young people at risk in temporary accommodation*

#### ***Current arrangements and costs***

For the purposes of the Supporting People programme, “young people at risk” are defined as homeless young people and those in insecure accommodation. There are 4,675 household units of young people at risk in temporary accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting young people at risk in temporary accommodation through existing Supporting People packages is £83,956 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £20,096. This includes a cost to Supporting People of £8,141, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.9(i) in appendix A.
- Event costs arising from interventions and incidents of £63,860. These are shown later in this section in table 3.2.9(i)(a) and include (for example) committing criminal offences or becoming a victim of homelessness.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£392.5m** (£83,956 x 4,675).

#### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give:

- Ninety-five per cent of them (4,441 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to the needs of the client group and would impede their independence rather than help with it; and
- Five per cent of them (234 households) inpatient psychiatric care, on the basis that this percentage of clients would be too vulnerable to live independently in the absence of support and would require hospital care as the most effective alternative way to manage their underlying problems.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £15,266 per household unit. This is based on an average of £11,955 (shown in table 6.2.9(ii), appendix B) for the 95 per cent receiving current services but without the SP component and £78,184 for the 5 per cent receiving psychiatric care (shown in table 6.2.9(iii), appendix B). ( $£11,955 \times 95\% + £78,184 \times 5\% = £15,266$ ). (In computing the £11,955 we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution.)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £74,394, an increase of £10,534. This is made up of an increase of £11,088 for those who, in the absence of SP, would receive the arrangements they receive at present, and a zero change for those who in the absence of SP would receive hospital care. ( $£11,088 \times 95\% + £0 \times 5\% = £10,534$ .)

The increase of £11,088 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average of £2,955 in costs relating to offending.
- An average of £4,216 in costs relating to failure to move from temporary to settled accommodation, an average £1,780 increase in costs relating to sleeping rough and £1,058 cost relating to assaults while sleeping rough.
- An average of £1,080 in other costs.

The full breakdown of the additional costs is shown in table 3.2.9(i)(a).

The key hypothesis behind the additional event costs is that without Supporting People services clients will lack stable housing, emotional support and training in life skills and that this will lead to the costs above.

The hypothesis behind the zero increase in event costs for clients receiving hospital care (shown in table 3.2.9(i)(b)) is that these interventions would have a similar level of impact to Supporting People services in reducing the level of events.

**Table 3.2.9(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Failing to move from temporary accommodation into settled accommodation	£10,323	£14,539	£4,216
Sleeping rough	£0	£1,780	£1,780
Being admitted to hospital due to general health issue	£1,942	£2,285	£343
Attending an outpatient appointment	£605	£712	£107
Being visited by a community mental health nurse	£3.3	£3.6	£0.3
Visiting an A&E department	£591	£787	£197
Being admitted to an acute mental health ward	£166	£195	£29
Being treated for drug problems	£966	£1,136	£170
Being treated for alcohol problems	£609	£717	£108
Being a victim of assault while sleeping rough	£0	£1,058	£1,058
Being a victim of street crime (violent crime or mugging)	£655	£761	£106
Being convicted for reoffending	£47,987	£50,942	£2,955
Being arrested for prostitution	£0.07	£0.35	£0.28
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£13	£32	£19
<b>Total</b>	<b>£63,860</b>	<b>£74,948</b>	<b>£11,088</b>

**Table 3.2.9(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with hospital care

Event type	Cost per annum (basic package)	Cost per annum (hospital care)	Additional cost (hospital care)
Failing to move from temporary accommodation into settled accommodation	£10,323	£10,323	£0
Sleeping rough	£0	£0	£0
Being admitted to hospital due to general health issue	£1,942	£1,942	£0
Attending an outpatient appointment	£605	£605	£0
Being visited by a community mental health nurse	£3	£3	£0
Visiting an A&E department	£591	£591	£0
Being admitted to an acute mental health ward	£166	£166	£0
Being treated for drug problems	£966	£966	£0
Being treated for alcohol problems	£609	£609	£0
Being a victim of assault while sleeping rough	£0	£0	£0
Being a victim of street crime (violent crime or mugging)	£655	£655	£0
Being convicted for reoffending	£47,987	£47,987	£0
Being arrested for prostitution	£0.1	£0.1	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£13	£13	£0
<b>Total</b>	<b>£63,860</b>	<b>£63,860</b>	<b>£0</b>



Through those changes, the average cost per household unit per annum of support through this different package would be £89,660. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£419.2m** (£89,660 x 4,675).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£26.7m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.2.9(ii) Net benefit for young people at risk in temporary accommodation</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(38.1)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential Package	16.6
Housing costs	13.8
Homelessness	11.0
Health service costs	4.3
Crime costs	18.3
Benefits and Related Services	0.7
Total benefit from other cost areas	64.7
<b>Overall net benefit</b>	<b>26.7</b>

The financial benefits are that:

- Costs of residential care are avoided, although, offset against this, some living costs (categorised as 'Benefits and Related Services') are incurred, because clients have a higher living cost with SP than they would in hospital.
- Costs relating to housing and homelessness are reduced, because the risks of sleeping rough and failure to move into settled accommodation are reduced.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident and Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.
- Health and social services costs are reduced because of a lower incidence of drug and alcohol problems.

- Crime costs are reduced through clients being given advice to help them avoid burglary and street crime, and through reductions in their own re-offending.

The cost offset against the benefits is

- The £38.1m cost of providing the Supporting People services themselves.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of people at risk and a reduction in the cost of supporting them or of providing alternative services. The hypothesis would be that this arises through providing young people with life skills that reduce the likelihood of their experiencing problems (or repeat problems) in the long term.

It should also be noted that the model will show considerable sensitivity to changes in the key assumption of the 95%/5% split between support packages.

### ***Non-financial elements***

The research carried out in 2004 [2] did not identify uncoded benefits for this client group. However, as part of the research carried out in 2006 [1], it was assumed, with validation by CLG, that young people at risk gain similar benefits from Supporting People to those gained by single homeless people. Therefore, we assumed that the non-financial benefits they receive would be in the same areas. These are:

- improved quality of life for the individual through more flexible housing, support arrangements being more responsive to need, and improved health;
- greater housing stability allowing people at risk of offending to deal with other issues in their lives such as alcohol and drug dependency problems;
- acquisition skills such as cooking and shopping that have been lost after being institutionalised;
- providing help with mental health problems;
- providing easier access to appropriate services;
- increased employment opportunities for young people at risk; and
- reduced fear of crime in the community.

### **3.2.10 Young people leaving care**

#### ***Current arrangements and costs***

There are 1,884 household units of young people leaving care receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting young people leaving care through existing Supporting People packages is £20,699 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £14,673. This includes a cost to Supporting People of £6,718, as well as housing and benefits costs. The breakdown of this is shown in table 6.2.10(i) in appendix A.
- Event costs arising from interventions and incidents of £6,025. These are shown later in this section in table 3.2.10(i) and include (for example) costs of offending and experiencing repeat homelessness within a year.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be £39.0m (£20,699 x 1,884).

#### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give:

- Eighty per cent of them (1,507 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to the needs of the client group and would impede their independence rather than help with it; and
- Fifteen per cent of them (283 households) foster care, on the basis that this percentage of clients would be too vulnerable to live independently in the absence of support, based on their young age, and would require foster care as the most effective alternative way to support their needs.
- Five per cent of them (94 households) inpatient psychiatric care, on the basis that this percentage of clients would be too vulnerable to live independently in the absence of support and would require hospital care as the most effective alternative way to manage their underlying problems.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People and the introduction of foster and psychiatric care, it would change the direct cost of packages for supporting the group. This would now be on average £12,854 per household unit. This is based on an average of £7,955 (shown in table 6.2.10(ii), appendix A) for the 80 per cent receiving current services but without the SP component, £18,259 (shown in table 6.2.10(iii), appendix A) for the 15 per cent receiving foster care and £75,014 (shown in table 6.2.10(iv), appendix A) for the 5 per cent receiving psychiatric care. ( $£7,955 \times 80\% + £18,259 \times 15\% + £75,014 \times 5\% = £12,854$ ).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £7,471, an increase of £1,446. This is made up of an increase of £1,807 for those who, in the absence of SP, would receive the arrangements they receive at present, and a zero change for those who in the absence of SP would receive foster or psychiatric care. ( $£1,807 \times 80\% + (£0) \times (15\% + 5\%) = £1,446$ .)

The increase of £1,807 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £1,060 increase in costs relating to offending (these are principally CJS system costs associated with offending, but they also include some costs in dealing with the consequences of crime).
- An average £285 increase in costs relating to homelessness, plus an additional £168 relating to needing temporary accommodation.
- An average of £294 in other costs.

These costs are shown in table 3.2.10(i)(a).

The key hypothesis behind the additional event costs is that without Supporting People services clients will lack stable housing, emotional support and training in life skills and that this will lead to the costs above.

The hypothesis behind the zero increase in event costs for clients receiving hospital care (shown in table 3.2.10(i)(b)) is that these interventions would have a similar level of impact to Supporting People services in reducing the level of events.

**Table 3.2.10(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Attending an outpatient appointment	£168	£198	£30
Being a victim of burglary	£106	£119	£13
Being a victim of street crime (violent crime or mugging)	£239	£264	£25
Being admitted to an acute mental health ward	£115	£135	£20
Being admitted to hospital due to a general health issue	£310	£388	£78
Being visited by a community mental health nurse	£7	£7	£1
Visiting a GP due to a general health issue	£526	£554	£28
Visiting an A&E department	£151	£252	£101
Experiencing repeat homelessness within a year	£122	£407	£285
Needing emergency temporary accommodation	£42	£210	£168
Being convicted for reoffending	£4,238	£5,298	£1,060
Being arrested for prostitution	£0.05	£0.23	£0.19
<b>Total</b>	<b>£6,025</b>	<b>£7,833</b>	<b>£1,807</b>

**Table 3.2.10(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with foster or hospital care

Event type	Cost per annum (basic package)	Cost per annum (foster or hospital care)	Additional cost (foster or hospital care)
Attending an outpatient appointment	£168	£168	£0
Being a victim of burglary	£106	£106	£0
Being a victim of street crime (violent crime or mugging)	£239	£239	£0
Being admitted to an acute mental health ward	£115	£115	£0
Being admitted to hospital due to a general health issue	£310	£310	£0
Being visited by a community mental health nurse	£7	£7	£0
Visiting a GP due to a general health issue	£526	£526	£0
Visiting an A&E department	£151	£151	£0
Experiencing repeat homelessness within a year	£122	£122	£0
Needing emergency temporary accommodation	£42	£42	£0
Being convicted for reoffending	£4,238	£4,238	£0
Being arrested for prostitution	£0.05	£0.05	£0
<b>Total</b>	<b>£6,025</b>	<b>£6,025</b>	<b>£0</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £20,325. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£38.3m** (£20,325 x 1,884).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **-£0.7m**, a negative figure.

The breakdown of that financial benefit is as follows.

<b>Table 3.2.10(ii) Net benefit for young people leaving care</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(12.7)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential Package	10.8
Housing costs	(1.3)
Homelessness	0.1
Tenancy failure costs	0.3
Health service costs	0.4
Crime costs	1.7
Total benefit from other cost areas	12.0
<b>Overall net benefit</b>	<b>(0.7)</b>

The financial benefits are that:

- Costs of residential care are avoided, although, offset against this, housing costs are incurred, because clients are able to live independently to a lesser extent than when SP is provided.
- Costs relating to homelessness and tenancy failure are reduced, because the risks of repeat homelessness and requiring temporary accommodation are reduced.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident and Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.

- Crime costs are reduced through clients being given advice to help them avoid burglary and street crime, and through reductions in their own re-offending.

The cost offset against the benefits is

- The £12.7m cost of providing the Supporting People services themselves.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of people at risk and a reduction in the cost of supporting them or of providing alternative services. The hypothesis would be that this arises through providing young people with life skills that reduce the likelihood of their experiencing problems (or repeat problems) in the long term.

It should also be noted that the model will show considerable sensitivity to changes in the key assumption of the 80%/15%/5% split between support packages.

It is in the context of this observation and the non-financial benefits documented below, that the negative figure of -£0.7m must be seen. It does not indicate that young people leaving care should not be provided with housing-related support.

### ***Non-financial elements***

The earlier research [2] did not cover this client group and therefore, it did not identify uncosted benefits for them. We have, however, reviewed the non-financial benefits listed for other client groups, and identified that the following apply to young people leaving care:

- improved quality of life for the individual through more flexible housing, support arrangements being more responsive to need, and improved health;
- greater housing stability allowing people at risk of offending to deal with other issues in their lives such as alcohol and drug dependency problems;
- acquisition skills such as cooking and shopping;
- providing help with mental health problems;
- providing easier access to appropriate services; and
- reduced fear of crime in the community.



### 3.3 Groups with age, health or disability related problems

#### 3.3.1 *People with alcohol problems*

##### ***Current arrangements and costs***

There are 3,486 household units of people with alcohol problems receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of Supporting People with alcohol problems through existing Supporting People packages is £16,473 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £14,140. This includes a cost to Supporting People of £5,942, as well as housing and benefits costs. The breakdown of this is shown in table 6.3.1(i) of appendix A.
- Event costs arising from interventions and incidents of £2,333. These are shown later in this section in table 3.3.1(i) and include (for example) costs associated with clients having health problems and committing criminal offences.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£57.4m** (£16,473 x 3,486).

##### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give:

- Forty per cent of them (1,394 households) the packages they currently receive but without the Supporting People component. This is on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to the needs of the client group and would impede their independence rather than help with it;
- Forty per cent of them (1,394 households) residential rehabilitation packages; and
- Twenty per cent of them (697 households) inpatient psychiatric care.

This assumption has been made on the basis that, without support, there is a high likelihood for any member of the client group of not making progress in dealing with their alcohol problem – therefore in most cases, the most appropriate alternative to Supporting People services is an escalated, residential arrangement.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £40,319 per household unit. This is based on an average of £8,198 (see table 6.3.1(ii), appendix A) for the 40 per cent receiving current services but without the SP component, £47,931 for the 40 per cent receiving residential care (see table 6.3.1(iii), appendix A) and £89,338 for the 20 per cent receiving inpatient care (see table 6.3.1(iv), appendix A). ( $£8,198 \times 40\% + £47,931 \times 40\% + £89,338 \times 20\% = £40,319$ .)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £2,544; an increase of £210. This is made up of an increase of £2,234 for those who, in the absence of SP, would receive the arrangements they receive at present, and a reduction of £1,139 for those who in the absence of SP would receive residential or inpatient care. ( $£2,234 \times 40\% + (-£1,139) \times (40\% + 20\%) = £210$ .)

The increase of £2,234 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £1,105 increase in costs relating to homelessness. These include tenancy breakdown and social costs.
- An average £231 increase in costs relating to being treated for alcohol problems.
- An average £195 increase in costs of appearing in court.
- Other costs of on average £703.

The full breakdown of the increase is shown in table 3.3.1(i)(a)

The key hypothesis behind the cost increase is that Supporting People services, through providing direct help with finances and benefits, through helping with the development of life skills and through providing advice are able to have a significant impact on the likelihood of homelessness, episodes of mental illness requiring hospital admission and other outcomes.

The reduction of £1,139 for those who, in the absence of SP would receive residential or inpatient care, breaks down as follows:

- An average £429 reduction in costs relating to being treated for alcohol problems.
- An average £362 reduction in costs of appearing in court.
- A further £276 reduction in costs relating to experiencing tenancy failure.
- Other cost reductions of on average £72.

This is shown in table 3.3.1(i)(b).

The key hypothesis behind these reductions is that residential and inpatient care, whilst incurring substantial costs, remove alcohol users from the communities where they are likely to commit criminal offences and hence produces a reduction in event costs.

Average costs per household unit for all events under each scenario are shown in the following table on the next page.

**Table 3.3.1(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Appearing in court	£362	£556	£195
Attending an outpatient appointment	£130	£173	£43
Being admitted to an acute mental health ward	£69	£107	£37
Being admitted to hospital due to a general health issue	£389	£556	£167
Being treated for alcohol problems	£429	£661	£231
Being visited by a community mental health nurse	£2	£5	£2
Visiting a GP due to a general health issue	£388	£554	£166
Visiting an A&E department	£277	£369	£92
Experiencing homelessness	£0	£1,105	£1,105
Experiencing tenancy failure	£276	£460	£184
Being arrested for prostitution	£0.1	£0.1	£0.0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£11	£22	£11
<b>Total</b>	<b>£2,333</b>	<b>£4,568</b>	<b>£2,234</b>

<b>Table 3.3.1(i)(b)</b> Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with residential or inpatient care			
<b>Event type</b>	<b>Cost per annum (basic package)</b>	<b>Cost per annum (res 1)</b>	<b>Additional cost (res 1)</b>
Appearing in court	£362	£0	(£362)
Attending an outpatient appointment	£130	£130	£0
Being admitted to an acute mental health ward	£69	£0	(£69)
Being admitted to hospital due to a general health issue	£389	£389	£0
Being treated for alcohol problems	£429	£0	(£429)
Being visited by a community mental health nurse	£2	£0	(£2)
Visiting a GP due to a general health issue	£388	£388	£0
Visiting an A&E department	£277	£277	£0
Experiencing homelessness	£0	£0	£0
Experiencing tenancy failure	£276	£0	(£276)
Being arrested for prostitution	£0.1	£0.1	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£11	£11	£0
<b>Total</b>	<b>£2,333</b>	<b>£1,195</b>	<b>(£1,139)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £42,863. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£149.4m** (£42,863 x 3,486).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£92.0m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.3.1(ii) Net benefit for people with alcohol problems</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(20.7)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential Package	120.4
Housing costs	(7.2)
Homelessness	0.3
Tenancy failure costs	(0.3)
Crime costs	(0.5)
Total benefit from other cost areas	112.7
<b>Overall net benefit</b>	<b>92.0</b>

The financial benefits are that

- Supporting People services avoid a £120.4m cost of residential care (in both hospitals and residential rehabilitation services), although there are number of factors to offset against this:
  - Use of residential care would reduce expenditure on housing for this client group
  - Use of residential care would reduce the opportunities for offenders to commit crime, and hence it would reduce the associated costs.
  - Use of residential care would remove the problem of tenancy failure for the client group, and hence the associated cost.

However, the cost offset against the benefits is

- The £20.7m cost of providing the Supporting People services themselves.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of people with alcohol problems and a consequent reduction in the costs of both supporting them and dealing with any resultant crimes. The hypothesis would be that this arises through providing people with resettlement support and life skills which allow them to progress in addressing their alcohol problem and, through that, reduce the likelihood of their either continuing to misuse alcohol or offending in the long term.

It should be noted that the model will show considerable sensitivity to changes in the key assumptions of the 40%/40%/20% split between support packages.

### ***Non-financial elements***

The earlier research [2] did not cover this client group and therefore, it did not identify uncoded benefits for them. We have, however, reviewed the non-financial benefits listed for other client groups, and identified that the following apply to people with alcohol problems:

- greater stability allows for transition into a more stable lifestyle and will provide a grounding for alcohol treatment;
- decrease in antisocial behaviour in the community;
- improved physical health
- increased likelihood of completing treatment programmes which will have a long-term, sustained positive effect on their quality of life; and
- improvements in mental health and well-being and reducing alcohol related deaths.

## **3.3.2 People with drug problems**

### ***Current arrangements and costs***

There are 4,895 household units of people with drug problems receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of Supporting People with drug problems through existing Supporting People packages is £27,331 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £19,049. This includes a cost to Supporting People of £6,158, as well as housing, health service, crime and benefits costs. The breakdown of this is shown in table 6.3.2 (i) of appendix A.
- Event costs arising from interventions and incidents of £8,282. These are shown later in this section in table 3.3.2(i) and include (for example) costs associated with clients having health problems and committing criminal offences.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£133.8m** (£27,331 x 4,895).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give

- 80 per cent of them (3,916 household units) residential rehabilitation packages; and
- 20 per cent of them (979 household units) inpatient psychiatric care.

This assumption has been made on the basis that, without support, there is a high likelihood for any member of the client group of not making progress in dealing with their drug problem – therefore in all cases the most appropriate alternative to Supporting People services is an escalated, residential arrangement.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £58,558 per household unit. This is based on an average of £50,277 (see table 6.3.2(ii), appendix A) for the 80 per cent receiving residential care and £91,684 for the 20 per cent receiving psychiatric care (see table 6.3.2 (iii), appendix A). ( $£91,684 \times 20\% + £50,277 \times 80\% = £58,558$ .)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £1,011; a reduction of £7,272. The principal reductions in the event costs would be:
  - A reduction of £2,069 in costs of imprisonment of clients committing criminal offences.
  - A reduction of £1,427 in costs associated with arrests for acquisitive crimes.
  - A reduction of £1,221 in costs associated with arrests for drug offences.
  - A reduction of £1,170 in costs associated with appearances in court.
  - A reduction of £832 in costs associated with drug treatment that is not on a residential basis.
  - A reduction of £345 in costs associated with experiencing tenancy failure.
  - A reduction of £206 in other costs.

These costs are shown in table 3.3.2(i)



The key hypothesis behind the additional event costs is that residential and hospital care, whilst incurring substantial costs, remove drug users from the communities where they are likely to commit criminal offences and hence produces a reduction in event costs.

Average costs per household unit for all events under each scenario are shown in the following table.

<b>Table 3.3.2(i) Average costs per annum of events per unit of SP support, with SP and under the alternative scenario</b>			
<b>Event type</b>	<b>Cost per annum (basic package)</b>	<b>Cost per annum (alternative scenario)</b>	<b>Additional cost under alternative scenario</b>
Visiting an A&E department	£140	£140	£0
Being admitted to hospital due to general health issue	£528	£528	£0
Being admitted to an acute mental health ward	£90	£0	(£90)
Visiting a GP due to general health issue	£165	£165	£0
Being visited by a community mental health nurse	£21	£0	(£21)
Attending an outpatient appointment	£165	£165	£0
Being treated for drug problems	£832	£0	(£832)
Being arrested for a drug offence	£1,221	£0	(£1,221)
Being arrested for an acquisitive crime offence	£1,427	£0	(£1,427)
Spending a night in police custody	£96	£0	(£96)
Appearing in court	£1,170	£0	(£1,170)
Spending time in prison	£2,069	£0	(£2,069)
Experiencing homelessness	£0	£0	£0
Experiencing tenancy failure	£345	£0	(£345)
Being arrested for prostitution	£0.1	£0.1	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£13	£13	£0
<b>Total</b>	<b>£8,282</b>	<b>£1,011</b>	<b>(£7,272)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £59,569. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£291.6m** (£59,569 x 4,895).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£157.8m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.3.2(ii) Net benefit for people with drug problems</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(30.1)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential package	254.8
Housing costs	(19.8)
Tenancy failure costs	(1.7)
Health service costs	(15.7)
Social services care	(0.4)
Crime costs	(29.3)
Total benefit from other cost areas	187.9
<b>Overall net benefit</b>	<b>157.8</b>

The financial benefits are that:

- Supporting People services avoid a £254.8m cost of residential care (in both hospitals and residential rehabilitation services), although there are number of factors to offset against this:
  - Use of residential care would reduce expenditure on living expenses for this client group (shown in 'Benefits and Related services) and on housing.
  - Use of residential care would reduce the opportunities for offenders to commit crime, and hence it would reduce the associated costs.
  - Use of residential care would remove the problem of tenancy failure for the client group, and hence the associated cost.
  - Use of residential care would reduce use of Health Service treatment for drug users outside of hospital and also of mental health services.

However, the cost offset against the benefits is

- The £30.1m cost of providing the Supporting People services themselves.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of people with drug problems and a consequent reduction in the costs of both supporting them and dealing with any resultant crimes. The hypothesis would be that this arises through providing people with resettlement support and life skills which allow them to progress in addressing their drug problem and, through that, reduce the likelihood of their either continuing to use drugs or offending in the long term.

It should be noted that the model will show considerable sensitivity to changes in the key assumptions of the 20%/80% split between support packages and that all clients would receive residential rehabilitation or psychiatric care in the absence of SP services.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for people with drug problems as

- greater stability allows for transition into a more stable lifestyle and will provide a grounding for drug treatment;
- decrease in antisocial behaviour in the community;
- increased likelihood of completing treatment programmes which will have a long-term, sustained positive effect; and
- improvements in mental health and well-being and reducing drug related deaths.

### **3.3.3 People with learning disabilities**

#### ***Current arrangements and costs***

There are 31,238 household units of people with learning disabilities receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting clients with learning disabilities through existing Supporting People packages is £41,337 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £39,010. This includes a cost to Supporting People of £11,825, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.3(i) in appendix A.

- Event costs arising from interventions and incidents of £2,327. These are shown later in this section in table 3.3.3(i)(a) and include (for example) being admitted to hospital because of a general health issue and becoming a victim of street crime.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£1,291.3m** (£41,337 x 31,238).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give:

- Thirty-five per cent of them (10,933 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to the needs of the client group and would impede their independence rather than help with it; and
- Sixty-five per cent of them (20,305 households) residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP and that this therefore was the only realistic alternative form of positive provision.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £60,951 per household unit. This is based on an average of £27,185 (see table 6.3.3(ii) in appendix A) for the 35 per cent receiving current services but without the SP component and £79,133 (see table 6.3.3(iii)) for the 65 per cent receiving residential care ( $£27,185 \times 35\% + £79,133 \times 65\% = £60,951$ ).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £3,156, an increase of £830. This is made up of an increase of £2,370 for those who, in the absence of SP, would receive the arrangements they receive at present, and a zero increase for those who, in the absence of SP, would receive residential care ( $£2,370 \times 35\% = £830$ ).

The increase of £2,370 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £1,699 increase in costs relating to admission to hospital due to a general health issue.
- An average £428 increase in costs of home care provision.
- An average £178 increase in costs associated with homelessness (including tenancy breakdown and social costs).
- An average £65 increase in other costs.

These costs are shown in full in table 3.3.3(i)(a).

The key hypothesis behind the additional event costs is that Supporting People is an effective way of helping to maintain the health and welfare of people with learning disabilities and of reducing delayed discharges from hospital. This is done through supervision and monitoring of health and medication, helping people gain access to services, providing emotional support, providing counselling and advice and helping to develop life skills.

The hypothesis behind the zero increases in event costs for clients receiving residential care (shown in table 3.3.3(i)(b)) is that this intervention would have a similar level of impact to Supporting People services in reducing the level of events.

**Table 3.3.3(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Being admitted to hospital due to general health issue	£1,537	£3,236	£1,699
Visiting an A&E department	£351	£369	£18
Being admitted to an acute mental health ward	£23	£47	£25
Visiting a GP due to general health issue	£237	£249	£12
Visiting a community health service (not mental)	£82	£87	£4
Being visited by a community mental health nurse	£8	£8	£0

**Table 3.3.3(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP (*continued*)

Event type	Cost per annum (basic package)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Being a victim of burglary	£31	£32	£1
Being a victim of street crime (violent crime or mugging)	£59	£62	£3
Experiencing tenancy failure	£0	£178	£178
Receiving home care provision	£0	£428	£428
<b>Total</b>	<b>£2,327</b>	<b>£4,697</b>	<b>£2,370</b>

**Table 3.3.3(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with residential care

Event type	Cost per annum (basic package)	Cost per annum (res care)	Additional cost (res care)
Being admitted to hospital due to general health issue	£1,537	£1,537	£0
Visiting an A&E department	£351	£351	£0
Being admitted to an acute mental health ward	£23	£23	£0
Visiting a GP due to general health issue	£237	£237	£0
Visiting a community health service (not mental)	£82	£82	£0
Being visited by a community mental health nurse	£8	£8	£0
Being a victim of burglary	£31	£31	£0
Being a victim of street crime (violent crime or mugging)	£59	£59	£0
Experiencing tenancy failure	£0	£0	£0
Receiving home care provision	£0	£0	£0
<b>Total</b>	<b>£2,327</b>	<b>£2,327</b>	<b>£0</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £64,108. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£2,002.6m** (£64,108 x 31,238).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£711.3m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.3.3(ii) Net benefit for people with learning disabilities</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(369.4)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential package	1,514.5
Housing costs	(82.1)
Homelessness	0.4
Tenancy failure costs	1.6
Health service costs	19.2
Social services care	(377.9)
Benefits and Related Services	5.0
Total benefit from other cost areas	1,080.7
<b>Overall net benefit</b>	<b>711.3</b>

The financial benefits are that:

- Supporting People services avoid a £1,514.5m cost of residential care, although there are some costs to offset against this:
  - Use of residential care would reduce expenditure on housing costs.
  - Use of residential care would reduce social services expenditure on people in their own homes.
  - Use of residential care would reduce living costs (categorised as “Benefits and Related Services”) for clients.

- Supporting People services avoid, amongst the population who might otherwise receive non-residential care packages with no SP component, a proportion of:
- Health service costs connected with GPs, admission to Accident and Emergency, admission to hospital due to general health issues, and use of community and hospital mental health services.
- Crime costs connected with being a victim of burglary or street crime.
- Homelessness and tenancy failure costs.

The cost offset against the benefits is

- The £369.4m cost of providing the Supporting People services themselves.

It should be noted that the model will show considerable sensitivity to changes in the key assumption of the 35%/65% split between support packages.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for people with learning disabilities as

- allowing many people with learning disabilities to live relatively independently, lessening the burden of care on their family and friends and allowing them greater choice over where to live and more control over their lives;
- consistent support that responds to people's needs offering stability in their lives, allowing them to plan ahead and reducing psychological distress;
- improved health and mobility;
- reduced fear of crime in people with learning disabilities living alone;
- reduced social exclusion through facilitation of access to services and social groups, which both benefits the individual by reducing isolation and increases the social capital of the community;
- reduced reliance on informal carers. In turn this can have significant benefits for their physical and mental health, can increase their access to employment and can offer greater stability in their lives; and
- ensuring that people with learning disabilities are catered for in appropriate environments and have the best outcomes possible in terms of health, psychological development and quality of life.



### 3.3.4 *People with mental health problems*

#### ***Current arrangements and costs***

There are 37,280 household units of people with mental health problems receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of Supporting People with mental health problems through existing Supporting People packages is £26,461 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £23,458. This includes a cost to Supporting People of £6,823, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.4(i) in appendix A.
- Event costs arising from interventions and incidents of £3,003. These are shown later in this section in table 3.3.4(i)(a) and include (for example) becoming homeless and visiting A&E departments.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£986.5m** (£26,461 x 37,280).

#### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give:

- Fifty-nine per cent of them (21,995 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to the needs of the client group and would impede their independence rather than help with it;
- Eight per cent of them (2,982 households) residential care; and
- Thirty-three per cent of them (12,302 households) inpatient hospital care.

For these latter two groups, it was felt that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP, within which around a third would have a sufficiently high level of need that they would require hospitalisation and a smaller proportion would require residential care.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £38,106 per household unit. This is based on an average of £16,635 (see table 6.3.4(ii), appendix A) for the 59 per cent receiving current services but without the SP component, £27,707 (see table 6.3.4(iii), appendix A) for the 8 per cent receiving residential care and £79,015 (see table 6.3.4 (iv), appendix A) for the 33 per cent receiving hospital care. ( $£16,635 \times 59\% + £27,707 \times 8\% + £79,015 \times 33\% = £38,106$ ). (In computing the £16,635 we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution.)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £3,368, an increase of £365. This is made up of an increase of £1,541 for those who, in the absence of SP, would receive the arrangements they receive at present, and a reduction of £1,327 for those who in the absence of SP would receive residential or hospital care. ( $£1,541 \times 59\% + (-£1,327) \times (33\% + 8\%) = £365$ .)

The increase of £1,541 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £803 increase in costs relating to homelessness. These include tenancy breakdown and social costs.
- An average £248 increase in costs relating to admissions to acute mental health wards.
- An average £214 increase in costs of non-statutory social care.
- Other costs of on average £276.

The full breakdown of the increase is shown in table 3.3.4(i)(a)

The key hypothesis behind the cost increase is that Supporting People services, through providing direct help with finances and benefits, through helping with the development of life skills and through providing advice are able to have a significant impact on the likelihood of homelessness, episodes of mental illness requiring hospital admission and other outcomes.

The reduction of £1,327 for those who, in the absence of SP would receive residential or hospital care, breaks down as follows:

- An average £803 reduction in costs relating to homelessness. These include both tenancy breakdown and social costs, and the reduction arises because the care arrangements mean that the client does not have to manage their own tenancy.
- An average £401 reduction in costs relating to visiting community health services.
- A further £123 reduction in costs relating specifically to community mental health services.

This is shown in table 3.3.4(i)(b).

The key hypotheses behind these reductions are first that people with mental health problems are at significant risk of homelessness when living in the community, and that this risk would be mitigated by hospital or residential arrangements; and second that use of residential care or hospital arrangements would reduce the level of community health interventions required by the group.

**Table 3.3.4(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Being admitted to hospital due to general health issue	£251	£278	£27
Visiting an A&E department (including to treat for self harm)	£140	£148	£7
Being admitted to an acute mental health ward	£743	£991	£248
Visiting a GP due to general health issue	£443	£554	£111
Visiting community health services (e.g. psychologists, outpatients etc)	£401	£501	£100
Being visited by a community mental health nurse	£123	£137	£14
Being a victim of burglary	£31	£32	£1
Being a victim of street crime (violent crime or mugging)	£59	£62	£3
Experiencing homelessness	£803	£1,606	£803
Receiving non-statutory social care services	£0	£214	£214
Being arrested for prostitution	£0	£0.2	£0.2
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£22	£13
<b>Total</b>	<b>£3,003</b>	<b>£4,544</b>	<b>£1,541</b>

**Table 3.3.4(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with residential or hospital care

Event type	Cost per annum (basic package)	Cost per annum (res or hospital care)	Additional cost (res or hospital care)
Being admitted to hospital due to general health issue	£251	£251	£0
Visiting an A&E department (including to treat for self harm)	£140	£140	£0
Being admitted to an acute mental health ward	£743	£743	£0
Visiting a GP due to general health issue	£443	£443	£0
Visiting community health services (e.g. psychologists, outpatients etc)	£401	£0	(£401)
Being visited by a community mental health nurse	£123	£0	(£123)
Being a victim of burglary	£31	£31	£0
Being a victim of street crime (violent crime or mugging)	£59	£59	£0
Experiencing homelessness	£803	£0	(£803)
Receiving non-statutory social care services	£0	£0	£0
Being arrested for prostitution	£0.05	£0.05	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£9	£0
<b>Total</b>	<b>£3,003</b>	<b>£1,676</b>	<b>(£1,327)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £41,474. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£1,546.1m** (£41,474 x 37,280).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£559.7m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.3.4(ii) Net benefit for people with mental health problems</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(254.4)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential package	951.5
Housing costs	(84.8)
Homelessness	1.1
Tenancy failure costs	4.3
Health service costs	3.4
Social services care	(99.1)
Crime costs	0.1
Benefits and Related Services	37.5
Total benefit from other cost areas	814.1
<b>Overall net benefit</b>	<b>559.7</b>

The financial benefits identified here are:

- Supporting Services avoid a residential care cost of £951.5m (which includes both hospital care), although there are some costs to offset against this:
  - Use of residential care arrangements would reduce expenditure on social services care for this client group.
  - Use of residential care arrangements would reduce expenditure on housing for this client group.
- Supporting People services avoid a number of homelessness, tenancy failure and health service costs when compared with the alternative provision arrangements – although the figures are not perhaps as great as might be expected because the alternative provision is partly made up of packages which are effective in controlling these costs.

The cost to offset against the financial benefit is

- The cost of providing the Supporting People services themselves, at £254.4m.

It should be noted that the model will show considerable sensitivity to changes in the key assumption of the 59%/8%/33% split between support packages.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for people with mental health problems as

- improved quality of life for the individual including greater independence, improved health, greater choice of options on where and how to live and lessened dependence on relatives and carers;
- prevention of further mental health problems and fewer suicides;
- reduced burden of care for carers (leading to improved quality of life); and
- easier access to appropriate services.

### **3.3.5 Older people receiving floating support and other older people**

#### ***Current arrangements and costs***

There are 368,251 household units of older people receiving Supporting People funded floating support services and those from the other older people category<sup>22</sup>, containing on average 1.02 people each.<sup>23</sup>

Based upon the available data and evidence, we have estimated that the average cost of supporting these household units through existing Supporting People packages is £10,317 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £8,986. This includes a cost to Supporting People of £264, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.5(i) in appendix A.
- Event costs arising from interventions and incidents of £1,331. These are shown later in this section in table 3.3.5(i)(a) and include (for example) becoming a victim of burglary or being admitted to hospital due to a general health issue.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£3,799.2m** (£10,317 x 368,251).

<sup>22</sup> Other is defined in the context of our modelling of older people receiving floating support or in sheltered or very sheltered accommodation. The 'other' group, to whom none of these three categorisations apply, consists mostly of older people receiving community alarm or Home Improvement Agency services.

<sup>23</sup> This figure is sourced from data that comes from a sample of CLG client record data across 5 different areas. Based on information on 670 households, the average number of people per household was estimated as 1.02.

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give:

- Ninety-two per cent of them (338,791 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to the needs of the client group and would impede their independence rather than help with it; and
- Eight per cent of them (29,460 households) residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP and that residential care represents the best positive alternative form of provision. See section 7.3 for a detailed explanation of this percentage allocation.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £10,179 per household unit. This is based on an average of £8,722 (see table 6.3.5(ii), appendix A) for the 92 per cent receiving current services but without the SP component and £26,937 (see table 6.3.5(iii), appendix A) for the 8 per cent receiving residential care. ( $£8,722 \times 92\% + £26,937 \times 8\% = £10,179$ ).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £1,843; an increase of £512. This is made up of an increase of £561 for those who, in the absence of SP, would receive the arrangements they receive at present – and a reduction of £48 for those who, in the absence of SP, would receive residential care. ( $£561 \times 92\% + (-£48) \times 8\% = £512$ ).



The increase of £561 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £436 increase in non-statutory care provided by social services.
- An average £56 increase in costs relating to hospital admissions due to general health issues.
- Other costs of on average £68.

The full breakdown of the increase is shown in table 3.3.5(i)(a)

The hypothesis behind the increase in costs is that without SP services, many clients would experience rapid deterioration in their ability to live without support which would require them to use home care services; additionally there would be a significant deterioration in health levels requiring the use of additional services.

The reduction of £48 for those who, in the absence of SP, would receive residential care breaks down as follows:

- An average £48 reduction in the cost of burglary, due to the greater security of the environment in a residential or nursing home.

This is shown in table 3.3.5(i)(b)).

The hypothesis behind the very small reduction in event costs for clients receiving residential care (see table 3.3.5(i)(b)) is that this intervention would have a similar level of impact to Supporting People services in reducing the level of events. The only exception is burglary, which it is considered would be eliminated by provision of nursing or residential care.

**Table 3.3.5(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Visiting a district nurse	£66	£69	£3
Visiting a community health physiotherapist	£56	£59	£3
Visiting a community health occupational therapist	£27	£28	£1
Attending an outpatient appointment	£130	£137	£7
Being admitted to hospital due to general health issue	£522	£578	£56
Having a fall requiring health and social care services	£104	£110	£5
Visiting a GP due to general health issue	£322	£339	£17
Being visited by a community mental health nurse	£6	£7	£0
Being admitted to an acute mental health ward	£7	£8	£1
Being a victim of burglary	£48	£50	£1
Being a victim of street crime (violent crime or mugging)	£35	£36	£1
Experiencing homelessness	£0	£15	£15
Receiving non-statutory home care services	£0	£436	£436
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£22	£13
<b>Total</b>	<b>£1,331</b>	<b>£1,892</b>	<b>£561</b>

**Table 3.3.5(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with residential or nursing care

Event type	Cost per annum (basic package)	Cost per annum (res or nursing home)	Additional cost (res or nursing home)
Visiting a district nurse	£66	£66	£0
Visiting a community health physiotherapist	£56	£56	£0
Visiting a community health occupational therapist	£27	£27	£0
Attending an outpatient appointment	£130	£130	£0
Being admitted to hospital due to general health issue	£522	£522	£0
Having a fall requiring health and social care services	£104	£104	£0
Visiting a GP due to general health issue	£322	£322	£0
Being visited by a community mental health nurse	£6	£6	£0
Being admitted to an acute mental health ward	£7	£7	£0
Being a victim of burglary	£48	£0	(£48)
Being a victim of street crime (violent crime or mugging)	£35	£35	£0
Experiencing homelessness	£0	£0	£0
Receiving non-statutory home care services	£0	£0	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£9	£0
<b>Total</b>	<b>£1,331</b>	<b>£1,282</b>	<b>(£48)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £12,022. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£4,427.2m** (£12,022 x 368,251).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£628.0m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.3.5(ii) Net benefit for older people receiving floating support and other older people</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(97.3)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential package	777.6
Housing costs	(121.6)
Homelessness	0.1
Tenancy failure costs	4.9
Health service costs	35.6
Social services care	118.0
Crime costs	(0.6)
Benefits and Related Services	(88.9)
Total benefit from other cost areas	725.3
<b>Overall net benefit</b>	<b>628.0</b>

The major financial benefits are that:

- A £777.6m cost of residential care is avoided, although there are some costs to offset against this:
  - Use of residential care would reduce the living costs for the client group (shown under 'Benefits and Related Services'.
  - Use of residential care would reduce the risk of tenancy failure and associated homelessness costs.
  - Use of residential care would reduce housing costs for the client group.

- Use of residential care would reduce crime costs for the client group, by making them less likely to become victims of burglary.
- A large social services cost is avoided, consisting of non-statutory care.
- Costs associated with homelessness and tenancy failure are reduced by avoiding the risk of tenancy breakdown.

The major cost offset against the benefits is

- The £97.3m cost of providing the Supporting People services themselves.

It should be noted that the model will show considerable sensitivity to changes in the key assumption of the 92%/8% split between support packages.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for older people as:

- improved quality of life for the individual including greater independence, improved health, greater choice of options on where and how to live and lessened dependence on relatives and carers;
- reduced burden of care for carers (leading to improved quality of life);
- increased participation in the community by older people and decreased isolation;
- decreased fear of crime; and
- easier access to appropriate services.

### **3.3.6 Older people in very sheltered accommodation**

#### ***Current arrangements and costs***

There are 24,509 household units of older people in very sheltered accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting older people in very sheltered accommodation through existing Supporting People packages is £23,841 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £22,536. This includes a cost to Supporting People of £1,324, as well as housing, social services, nursing and benefits costs. The breakdown of this is shown in table 6.3.6(i) in appendix A.

- Event costs arising from interventions and incidents of £1,305. These are shown later in this section in table 3.3.6(i)(a) and include (for example) costs of being a victim of crime (such as burglary) and costs of health interventions such as outpatient attendances and GP visits.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£584.3m** (£23,841 x 24,509).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give

- 50 per cent of them (12,255 households) the packages they currently receive but without the Supporting People component;
- 30 per cent of them (7,353 households) nursing care; and
- 20 per cent of them (4,902 households) residential care.

This assumption has been made on the basis that because older people in very sheltered accommodation typically have high levels of dependency they would, in many cases be unable to live independently without Supporting People services and would require either residential or nursing care, depending on their level of need. However, it is not believed that this applies in all cases, and so it has been assumed that for 50 per cent, the provision of existing arrangements but without the SP support would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available).

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £27,319 per household unit. This is based on an average of £21,213 (table 6.3.6(ii), appendix A) for the 50 per cent receiving current services but without the SP component, £38,102 (table 6.3.6(iv), appendix A) for the 30 per cent receiving nursing care and £26,409 (table 6.3.6(iii), appendix A) for the 20 per cent receiving residential care. ( $£21,213 \times 50\% + £38,102 \times 30\% + £26,409 \times 20\% = £27,319$ ). (In computing the £21,213 we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution.)

- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £1,556; an increase of £252. This is made up of an increase of £550 for those who, in the absence of SP, would receive the arrangements they receive at present, and a reduction of £47 for those who in the absence of SP would receive residential or nursing care.  $(£550 \times 50\% + (-£47) \times (20\% + 30\%)) = £252$ .

The increase of £550 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £428 increase in non-statutory care provided by social services.
- An average £55 increase in costs relating to hospital admissions due to general health issues.
- Other costs of on average £67.

The full breakdown of the increase is shown in table 3.3.6(i)(a).

The hypothesis behind the increase in costs is that without SP services, many clients would experience rapid deterioration in their ability to live without support which would require them to use home care services; additionally there would be a significant deterioration in health levels requiring the use of additional services.

The reduction of £47 for those who, in the absence of SP would receive residential or nursing care, breaks down as follows:

- An average £47 reduction in the cost of burglary, due to the greater security of the environment in a residential or nursing care home.

This is shown in table 3.3.6(i)(b).

The hypothesis behind the very small reduction in event costs for clients receiving residential care (see table 3.3.6(i)(b)) is that this intervention would have a similar level of impact to Supporting People services in reducing the level of events. The only exception is burglary, which it is considered would be eliminated by provision of nursing or residential care.

**Table 3.3.6(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Visiting a district nurse	£64	£68	£3
Visiting a community health physiotherapist	£55	£58	£3
Visiting a community health occupational therapist	£26	£28	£1
Attending an outpatient appointment	£127	£134	£7
Being admitted to hospital due to general health issue	£511	£567	£55
Having a fall requiring health and social care services	£102	£108	£5
Visiting a GP due to general health issue	£316	£332	£17
Being visited by a community mental health nurse	£6	£6	£0
Being admitted to an acute mental health ward	£7	£7	£1
Being a victim of burglary	£47	£49	£1
Being a victim of street crime (violent crime or mugging)	£34	£35	£1
Experiencing homelessness	£0	£15	£15
Receiving non-statutory home care services	£0	£428	£428
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£22	£13
<b>Total</b>	<b>£1,305</b>	<b>£1,855</b>	<b>£550</b>



**Table 3.3.6(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with residential or nursing care

Event type	Cost per annum (basic package)	Cost per annum (res or nursing home)	Additional cost (res or nursing home)
Visiting a district nurse	£64	£64	£0
Visiting a community health physiotherapist	£55	£55	£0
Visiting a community health occupational therapist	£26	£26	£0
Attending an outpatient appointment	£127	£127	£0
Being admitted to hospital due to general health issue	£511	£511	£0
Having a fall requiring health and social care services	£102	£102	£0
Visiting a GP due to general health issue	£316	£316	£0
Being visited by a community mental health nurse	£6	£6	£0
Being admitted to an acute mental health ward	£7	£7	£0
Being a victim of burglary	£47	£0	(£47)
Being a victim of street crime (violent crime or mugging)	£34	£34	£0
Experiencing homelessness	£0	£0	£0
Receiving non-statutory home care services	£0	£0	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£9	£0
<b>Total</b>	<b>£1,331</b>	<b>£1,282</b>	<b>(£47)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £28,875. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£707.7m** (£28,875 x 24,509).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£123.4m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.3.6(ii) Net benefit for older people in very sheltered accommodation</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(32.4)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential package	403.1
Housing costs	(91.3)
Tenancy failure costs	0.2
Health service costs	1.3
Social services care	(106.7)
Crime costs	(0.5)
Benefits and Related Services	(36.2)
Other Services <sup>1</sup>	(13.9)
Total benefit from other cost areas	155.8
<b>Overall net benefit</b>	<b>123.4</b>

The financial benefits are that:

- Supporting People services avoid a £403.1m cost of residential care, although there are some costs to be offset against this:
  - Use of residential care would reduce the living costs for the client group (shown under 'Benefits and Related Services'.)
  - Use of residential care would reduce the housing costs for the client group.
  - Use of residential care would reduce crime costs for the client group, by making them less likely to become victims of burglary.

<sup>24</sup>These consist of the cost of nursing care associated with accommodation

- Use of residential care would reduce social services and nursing costs (shown under Other Services) for the group, as their needs would be met directly by the residential care establishments.
- Health service costs are avoided by SP services reducing the need for hospital care, community healthcare, outpatient care and GP services.
- Tenancy failure costs are avoided through SP services providing help and guidance.

The cost offset against the benefits is

- The £32.4m cost of providing the Supporting People services themselves.

It should be noted that the model will show considerable sensitivity to changes in the key assumption of the 50%/30%/20% split between support packages.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for older people as:

- improved quality of life for the individual including greater independence, improved health (Quality Adjusted Life Years), greater choice of options on where and how to live and lessened dependence on relatives and carers;
- reduced burden of care for carers (leading to improved quality of life);
- increased participation in the community by older people and decreased isolation;
- decreased fear of crime; and
- easier access to appropriate services.

### **3.3.7 Older people in sheltered accommodation**

#### ***Current arrangements and costs***

There are 450,091 household units of other older people in sheltered accommodation living in receiving Supporting People services. This group principally consists of those living in sheltered accommodation.

Based upon the available data and evidence, we have estimated that the average cost of supporting this group through existing Supporting People packages is £14,285 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £12,980. This includes a cost to Supporting People of £440, as well as housing, social services, nursing and benefits costs. The breakdown of this is shown in table 6.3.7(i) of appendix A.

- Event costs arising from interventions and incidents of £1,305. These are shown later in this section in table 3.3.7(i)(a) and include (for example) costs of being a victim of crime (such as burglary) and costs of health interventions such as outpatient attendances and GP visits.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£6,429.7m** (£14,285 x 450,091).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give

- Ninety per cent of them (405,082 households) the packages they currently receive but without the Supporting People component
- Ten per cent of them (45,009 households) residential care.

This assumption has been made on the basis that because this client group has an intermediate level of dependency (higher than that for people receiving floating support but lower than that for those in very sheltered accommodation) they would, in some cases, be unable to live independently without Supporting People services and would require residential care. However, it is believed that in most cases this does not apply, and so it has been assumed that for 90 per cent the provision of existing arrangements but without the SP support would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available).

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £13,927 per household unit. This is based on an average of £12,540 (table 6.3.7(ii), appendix A) for the 90 per cent receiving current services but without the SP component and £26,409 (table 6.3.7(iii), appendix A) for the 10 per cent receiving residential care. ( $£12,540 \times 90\% + £26,409 \times 10\% = £13,927$ ). (In computing the £12,540, we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution.)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of

SP services). The average event cost arising from interventions and incidents would now be £1,795; an increase of £491. This is made up of an increase of £550 for those who, in the absence of SP would receive the arrangements they receive at present, and a reduction of £47 for those who in the absence of SP would receive residential care. ( $£550 \times 90\% + (-£47) \times 10\% = £491$ ).

The increase of £550 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £428 increase in non-statutory care provided by social services.
- An average £55 increase in costs relating to hospital admissions due to general health issues.
- Other costs of on average £67.

The full breakdown of the increase is shown in table 3.3.7(i)(a)

The hypothesis behind the increase in costs is that without SP services, many clients would experience rapid deterioration in their ability to live without support which would require them to use home care services; additionally there would be a significant deterioration in health levels requiring the use of additional services.

The reduction of £47 for those who, in the absence of SP would receive residential or nursing care, breaks down as follows:

- An average £47 reduction in the cost of burglary, due to the greater security of the environment in a residential or nursing care home.

This is shown in table 3.3.7(i)(b).

The hypothesis behind the very small reduction in event costs for clients receiving residential care (see table 3.3.7(i)(b)) is that this intervention would have a similar level of impact to Supporting People services in reducing the level of events. The only exception is burglary, which it is considered would be eliminated by provision of nursing or residential care.

**Table 3.3.7(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Visiting a district nurse	£64	£68	£3
Visiting a community health physiotherapist	£55	£58	£3
Visiting a community health occupational therapist	£26	£28	£1
Attending an outpatient appointment	£127	£134	£7
Being admitted to hospital due to general health issue	£511	£567	£55
Having a fall requiring health and social care services	£102	£108	£5
Visiting a GP due to general health issue	£316	£332	£17
Being visited by a community mental health nurse	£6	£6	£0
Being admitted to an acute mental health ward	£7	£7	£1
Being a victim of burglary	£47	£49	£1
Being a victim of street crime (violent crime or mugging)	£34	£35	£1
Experiencing homelessness	£0	£15	£15
Receiving non-statutory home care services	£0	£428	£428
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£22	£13
<b>Total</b>	<b>£1,305</b>	<b>£1,855</b>	<b>£550</b>

**Table 3.3.7(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with residential care

Event type	Cost per annum (basic package)	Cost per annum (res or nursing home)	Additional cost (res or nursing home)
Visiting a district nurse	£64	£64	£0
Visiting a community health physiotherapist	£55	£55	£0
Visiting a community health occupational therapist	£26	£26	£0
Attending an outpatient appointment	£127	£127	£0
Being admitted to hospital due to general health issue	£511	£511	£0
Having a fall requiring health and social care services	£102	£102	£0
Visiting a GP due to general health issue	£316	£316	£0
Being visited by a community mental health nurse	£6	£6	£0
Being admitted to an acute mental health ward	£7	£7	£0
Being a victim of burglary	£47	£0	(£47)
Being a victim of street crime (violent crime or mugging)	£34	£34	£0
Experiencing homelessness	£0	£0	£0
Receiving non-statutory home care services	£0	£0	£0
Receiving urgent dental treatment (i.e. "units of dental activity" that are urgent)	£9	£9	£0
<b>Total</b>	<b>£1,305</b>	<b>£1,258</b>	<b>(£47)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £15,722. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£7,076.5m** (£15,722 x 450,091).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£646.9m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.3.7(ii) Net benefit for older people in sheltered accommodation</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(198.2)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential package	1,164.8
Housing costs	(293.1)
Homelessness	0.2
Tenancy failure costs	5.7
Health service costs	41.9
Social services care	90.4
Crime costs	(1.1)
Benefits and Related Services	(133.1)
Other Services	(30.6)
Total benefit from other cost areas	845.1
<b>Overall net benefit</b>	<b>646.9</b>

The financial benefits are that:

- Supporting People services avoid a £1,164.8m cost of residential care, although there are some costs to be offset against this:
  - Use of residential care would reduce the living costs for the client group (shown under 'Benefits and Related Services'.)
  - Use of residential care would reduce the housing costs for the client group.
  - Use of residential care would reduce crime costs for the client group, by making them less likely to become victims of burglary.



- Health Service costs are avoided by SP services reducing the need for hospital care, community healthcare, outpatient care and GP services.
- Tenancy failure costs are avoided through SP services providing help and guidance.
- A large Social Services care cost is avoided.

The cost offset against the benefits is

- The £198.2m cost of providing the Supporting People services themselves.

It should be noted that the model will show considerable sensitivity to changes in the key assumption of the 90%/10% split between support packages.

### ***Non-financial elements***

The earlier research [2] identified uncoded benefits from Supporting People for older people as:

- improved quality of life for the individual including greater independence, improved health (Quality Adjusted Life Years), greater choice of options on where and how to live and lessened dependence on relatives and carers;
- reduced burden of care for carers (leading to improved quality of life);
- increased participation in the community by older people and decreased isolation;
- decreased fear of crime; and
- easier access to appropriate services.

### **3.3.8 People with a physical or sensory disability**

#### ***Current arrangements and costs***

There are 11,876 household units of people with a physical or sensory disability receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting clients with a physical or sensory disability through existing Supporting People packages is £31,443 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £28,569. This includes a cost to Supporting People of £2,392, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.8(i) in appendix A.

- Event costs arising from interventions and incidents of £2,875. These are shown later in this section in table 3.3.8(i)(a) and include (for example) being admitted to hospital because of a general health issue and becoming a victim of street crime.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£373.4m** (£31,443 x 11,876).

### ***Impact and cost of withdrawal of Supporting People***

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give:

- Seventy per cent of them (8,313 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to the needs of the client group and would impede their independence rather than help with it; and
- Thirty per cent of them (3,563 households) residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP and that this therefore was the only realistic alternative form of positive provision.

A change to this form of provision has been assumed to have two effects.

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £32,692 per household unit. This is based on an average of £26,177 (see table 6.3.8(ii) in appendix A) for the 70 per cent receiving current services but without the SP component and £47,893 (see table 6.3.8(iii)) for the 30 per cent receiving residential care ( $£26,177 \times 70\% + £47,893 \times 30\% = £32,692$ ).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £4,926, an increase of £2,052. This is made up of an increase of £2,931 for those who, in the absence of SP, would receive the arrangements they receive at present, and a zero increase for those who, in the absence of SP, would receive residential care ( $£2,931 \times 70\% = £2,052$ ).

The increase of £2,931 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £2,039 increase in costs relating to admission to hospital due to a general health issue.
- An average £642 increase in costs of non-statutory home care services.
- An average £178 increase in costs associated with homelessness (including tenancy breakdown and social costs).
- An average £71 increase in other costs.

These costs are shown in full in table 3.3.8(i)(a).

The key hypothesis behind the additional event costs is that Supporting People is an effective way of helping to maintain the health and welfare of people with a physical or sensory disability and of reducing delayed discharges from hospital. This is done through supervision and monitoring of health and medication, helping people gain access to services, providing emotional support, providing counselling and advice and helping to develop life skills.

The hypothesis behind the zero increases in event costs for clients receiving residential care (shown in table 3.3.8(i)(b)) is that this intervention would have a similar level of impact to Supporting People services in reducing the level of events.

**Table 3.3.8(i)(a)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (basic package)	Cost per annum (without SP)	Additional cost (without SP)
Being a victim of burglary	£62	£64	£3
Being a victim of street crime (violent crime or mugging)	£59	£62	£3
Being admitted to an acute mental health ward	£16	£36	£20
Being admitted to hospital due to general health issue	£1,845	£3,884	£2,039
Being visited by a community mental health nurse	£8	£8	£0
Visiting an A&E department	£421	£443	£22
Receiving non-statutory home care services	£0	£642	£642
Victim of homelessness	£0	£178	£178
Visiting a GP due to general health issue	£421	£443	£22
Visiting a district nurse	£44	£46	£2
<b>Total</b>	<b>£2,875</b>	<b>£5,806</b>	<b>£2,931</b>

**Table 3.3.8(i)(b)** Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with residential care

Event type	Cost per annum (basic package)	Cost per annum (res care)	Additional cost (res care)
Being a victim of burglary	£62	£62	£0
Being a victim of street crime (violent crime or mugging)	£59	£59	£0
Being admitted to an acute mental health ward	£16	£16	£0
Being admitted to hospital due to general health issue	£1,845	£1,845	£0
Being visited by a community mental health nurse	£8	£8	£0
Visiting an A&E department	£421	£421	£0
Receiving non-statutory home care services	£0	£0	£0
Victim of homelessness	£0	£0	£0
Visiting a GP due to general health issue	£421	£421	£0
Visiting a district nurse	£44	£44	£0
<b>Total</b>	<b>£2,875</b>	<b>£2,875</b>	<b>£0</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £37,618. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£446.8m** (£37,618 x 11,876).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£73.3m**.

The breakdown of that financial benefit is as follows.

<b>Table 3.3.8(ii) Net benefit for people with a physical or sensory disability</b>	
<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(28.4)
<b>Other cost areas affected</b>	<b>Benefit / (cost) £m</b>
Residential package	144.9
Housing costs	(26.7)
Homelessness	0.3
Tenancy failure costs	1.2
Health service costs	17.5
Social services care	(34.7)
Benefits and Related Services	(0.7)
Total benefit from other cost areas	101.7
<b>Overall net benefit</b>	<b>73.3</b>

The financial benefits are that:

- Supporting People services avoid a £144.9m cost of residential care, although there are some costs to offset against this:
  - Use of residential care would reduce expenditure on housing costs.
  - Use of residential care would reduce social services expenditure on people in their own homes.
  - Use of residential care would reduce living costs (categorised as “Benefits and Related Services”) for clients.
- Supporting People services avoid, amongst the population who might otherwise receive non-residential care packages with no SP component, a proportion of:
  - Health service costs connected with GPs, admission to Accident and Emergency, admission to hospital due to general health issues, and use of community and hospital mental health services.
  - Crime costs connected with being a victim burglary or street crime.
  - Homelessness and tenancy failure costs.

The cost offset against the benefits is

- The £28.4m cost of providing the Supporting People services themselves.

It should be noted that the model will show considerable sensitivity to changes in the key assumption of the 70%/30% split between support packages.

### ***Non-financial elements***

The earlier research [2] did not cover this client group and therefore, it did not identify uncoded benefits for them. We have, however, reviewed the non-financial benefits listed for other client groups, and identified that the following apply to people with a physical or sensory disability:

- allowing many people with a physical or sensory disability to live relatively independently, lessening the burden of care on their family and friends and allowing them greater choice over where to live and more control over their lives;
- consistent support that responds to people's needs offering stability in their lives, allowing them to plan ahead and reducing psychological distress;
- improved health and mobility;
- reduced fear of crime in people with a physical or sensory disability living alone;
- reduced social exclusion through facilitation of access to services and social groups, which both benefits the individual by reducing isolation and increases the social capital of the community;
- reduced reliance on informal carers. In turn this can have significant benefits on their physical and mental health, can increase their access to employment and can offer greater stability in their lives; and
- ensuring that people with a physical or sensory disability are catered for in appropriate environments and have the best outcomes possible in terms of health, psychological development and quality of life.

## 3.4 Conclusion

The findings of this work are that the best overall estimate of net financial benefits from the Supporting People programme is £3.41bn per annum for the client groups considered (against an overall investment of £1.61bn)<sup>25</sup>.

This overall conclusion is based on separate calculations for each of the vulnerable groups considered through this research. In all but three cases, the provision of the Supporting People intervention was estimated to provide a net financial benefit – i.e. the financial benefits of supporting the individual were higher than, and outweighed, the costs of doing so. The net results for each client group are set out in the table below.

**Table 3.4.1** Costs and estimated net benefits of Supporting People services by client group

Client group	Cost (£m)	Net financial benefit (£m)
People with alcohol problems	(20.7)	92.0
Women at risk of domestic violence	(68.8)	186.9
People with drug problems	(30.1)	157.8
Homeless families with support needs – settled accommodation	(32.5)	(0.5)
Homeless families with support needs – temporary accommodation	(17.5)	28.5
Single homeless with support needs – settled accommodation	(130.1)	30.7
Single homeless with support needs – temporary accommodation	(106.7)	97.0
People with learning disabilities	(369.4)	711.3
People with mental health problems	(254.4)	559.7
Offenders or people at risk of offending, and mentally disordered offenders	(55.4)	40.3
Older people in sheltered accommodation	(198.2)	646.9
Older people in very sheltered accommodation	(32.4)	123.4

<sup>25</sup> The calculation basis for this figure is slightly different from that in use in the 2006 work, as we have updated the approaches relating to package costs and the allocation of older people to groups within the model. Other factors have also contributed to the change in the figure since the report in 2006 [1]. In particular an increase in the cost of residential care and a move within SP-funded services towards lower cost forms of provision have led to an increase in overall financial benefit. All of this is described in appendix E.



**Table 3.4.1** Costs and estimated net benefits of Supporting People services by client group (*continued*)

Client group	Cost (£m)	Net financial benefit (£m)
Older people receiving floating support and other older people	(97.3)	628.0
People with a physical or sensory disability	(28.4)	73.3
Teenage parents	(24.9)	(18.3)
Young people at risk – settled accommodation	(94.9)	26.6
Young people at risk – temporary accommodation	(38.1)	26.7
Young people leaving care	(12.7)	(0.7)
<b>Total</b>	<b>(1,612.4)</b>	<b>3,409.4</b>

The research was approached through estimating the impact of withdrawing or replacing the Supporting People intervention, the findings shown above can also be taken to indicate that, for all but three of the groups considered. So the costs of supporting the individual through SP are lower than the overall costs of either withdrawing or reducing support or of switching to a more intensive form of support offering a lower degree of independent living.

It must be noted that for the three groups where there is not a net financial benefit, there is nonetheless a strong case for housing-related support services. There are long-term unquantified<sup>26</sup> benefits for these three groups (and other socially excluded groups<sup>27</sup>) that include reductions in both need for support and social exclusion. These are particularly significant benefits: they are valuable in themselves to the clients concerned, and may also, in the long term, reduce the size of the client groups and the cost of providing support to them.

There are also immediate or near-immediate *unquantified*<sup>26</sup> benefits that are not included in the figures calculated for these three groups (and all other client groups). These benefits, such as reduced fear of crime and acquisition skills like cooking and shopping, are listed for each client group in Section 3 of this report.

<sup>26</sup> By unquantified benefits, we mean benefits to which a financial value has not been attributed as part of the scope of this work.

<sup>27</sup> The socially excluded groups are those discussed in section 3.2 of this report: Women at risk of domestic violence, Homeless families in settled accommodation, Homeless families in temporary accommodation, Single homeless with support needs in settled accommodation, Single homeless with support needs in temporary accommodation, Offenders or people at risk of offending and mentally disordered offenders, Teenage parents, Young people at risk in settled accommodation, Young people at risk in temporary accommodation and Young people leaving care.

While the table above provides an estimated value for the existing Supporting People interventions, the approach used means that the values ascribed to individual groups are partly dependent on the number of people already in receipt of those services. As this varies by client group, those findings do not in themselves provide a clear picture of the relative values of the different Supporting People interventions. In order to better inform strategic decisions about the amount and purpose of Supporting People funding, we have additionally calculated the cost and net financial benefit per 1,000 units of support. This is set out in the table below.

**Table 3.4.2** Costs and estimated net benefits per 1000 units of Supporting People services by client group

<b>Client group</b>	<b>Cost per 100 units of support</b>	<b>Net financial benefit per 100 units of support</b>
People with alcohol problems	(5.9)	26.4
Women at risk of domestic violence	(7.2)	19.6
People with drug problems	(6.2)	32.2
Homeless families with support needs – settled accommodation	(3.4)	(0.1)
Homeless families with support needs – temporary accommodation	(4.8)	7.7
Single homeless with support needs – settled accommodation	(5.0)	1.2
Single homeless with support needs – temporary accommodation	(8.3)	7.5
People with learning disabilities	(11.8)	22.8
People with mental health problems	(6.8)	15.0
Offenders or people at risk of offending, and mentally disordered offenders	(6.9)	5.0
Older people in sheltered accommodation	(0.4)	1.4
Older people in very sheltered accommodation	(1.3)	5.0
Older people receiving floating support and other older people	(0.3)	1.7
People with a physical or sensory disability	(2.4)	6.2
Teenage parents	(6.5)	(4.8)
Young people at risk – settled accommodation	(6.8)	1.9

**Table 3.4.2** Costs and estimated net benefits per 1000 units of Supporting People services by client group (*continued*)

Client group	Cost per 100 units of support	Net financial benefit per 100 units of support
Young people at risk – temporary accommodation	(8.1)	5.7
Young people leaving care	(6.7)	(0.4)

As with table 3.4.1, the findings here again indicate that, for all but three of the client groups considered, the costs of supporting outweigh the overall costs of not supporting. This would suggest that, based upon the research done, the withdrawal of support for these groups may create a higher cost elsewhere.

Finally, in line with the approach taken in the previous research [2], we have considered and estimated the costs and savings to other services and areas of public expenditure. This is set out in the table below:

**Table 3.4.3** Estimated net benefit of Supporting People services by cost area

<b>Costs of SP services (and associated costs)</b>	
Cost of providing SP services	(1,612.4)
Housing costs	(596.1)
Social services care	(407.7)
Benefits and Related Services	(213.8)
Other Services	(43.8)
<b>Total of costs</b>	<b>(2,873.8)</b>
Residential Care Package	5,408.7
Homelessness	95.0
Tenancy failure costs	50.7
Health service costs	315.2
Crime costs	413.6
<b>Total of benefits</b>	<b>6,283.2</b>
<b>Overall net benefit</b>	<b>3,409.4</b>

This analysis suggests that, within the overall net benefit of £3.41bn, the removal of Supporting People services would lead to:

- increased costs in the areas of residential care packages, homelessness, tenancy failure, health services and crime; and
- corresponding reductions in cost in the areas of SP services, housing costs, social services care, benefits and related services and other services (nursing care associated with accommodation).

It should be noted that some of the costs modelled accrue to individuals rather than the Exchequer. In the cases of residential care packages and housing costs, clients with their own means may sometimes be able to fund themselves, there are some non-Exchequer crime costs, and some clients may pay their own living costs rather than receive benefits. As sufficient data has not been available, there has been no attempt to split costs out, and the quantitative output of this work does not make a distinction between personal and Exchequer costs.

As has been discussed, the findings are best estimates rather than certainties. It can be seen in table 3.4.3 that a large proportion of the financial benefit arises from avoided residential care packages, (although avoidance of these packages also introduces costs because living independently adds to housing, social services and living costs). Consequently, for those groups where residential care is considered to be a key alternative if support were to be withdrawn, the extent to which those currently supported through Supporting People would instead receive residential care is an important model driver. This will already be evident to the reader from tables in sections 3.2 and 3.3 which describe the breakdown of net financial benefits (e.g. table 3.3.1(ii)).

Sensitivity analysis on the figures has been carried out in appendix D. One area considered is the effect of assumptions about residential care on the modelling. It is noted that if the assumption that clients could be allocated to residential care or other escalated alternatives is completely removed from the modelling then the net financial benefit modelled drops from £3.41bn to -£0.03bn. The calculation basis is such that this is a net figure. This means that, even if the alternative provision scenario were to assume that no residential care or other escalated arrangements would be needed to compensate for the loss of Supporting People services, then that scenario would still be only slightly less expensive overall than providing the existing Supporting People arrangements, as well as considerably less beneficial for clients.

In addition to the financial benefits there are a range of other benefits to Supporting People clients. These vary from client group to client group. In summary they are:

***For clients***

- Improved mental and physical health
- Improved quality of life
- Greater choice in options of where and how to live
- Increased participation in the community and decreased isolation
- Increased ease of access to appropriate services
- Increased stability, and in particular greater housing stability, allowing people to deal with issues in their lives
- Improved educational and health outcomes for children,
- Reduced fear of crime
- Reduced anti-social behaviour
- Acquisition of life skills such as cooking, shopping and management of finances
- Keeping families together
- Reduced risk of death (through being a victim of crime).

***For others***

- Reduced burden for carers, allowing improved relationships with the people being cared for and others
- Reduced anti-social behaviour
- Greater participation in the community by Supporting People clients.

It should be noted that CLG's Supporting People Outcomes Framework also provides a robust evidence base to demonstrate the impact of housing-related support services both at a local and national level in terms of outcomes achieved by clients as a direct result of accessing services<sup>28</sup>.

<sup>28</sup> Supporting People Client Record and Outcomes Framework data can be accessed by an on-line reporting facility:  
<http://www.spclientrecord.org.uk/>

# Chapter 4

## References

- [1] Research into the Financial Benefits of the Supporting People Programme, CLG, 2006.
- [2] Benefits Realisation of the Supporting People Programme, CLG, 2004.
- [3] DWP Annual Report 2007-8, DWP, 2008.
- [4] DWP Tabulation Tool, <http://83.244.183.180/100pc/tabtool.html>.
- [5] Jobcentre Plus Accounts 2007-8, DWP, 2008.
- [6] National Probation Service: The supervision of community orders in England and Wales, National Audit Office, 2008.
- [7] Offender Management Caseload Statistics, National Offender Management Service, Home Office, 2007
- [8] Unit Costs of Health and Social Care 2008, Curtis and Netten, Personal Social Services Research Unit, University Of Kent, 2008.
- [9] Personal Social Services Expenditure and Unit Costs 2007-8, The Health and Social Care Information Centre, 2008.
- [10] Reducing Reoffending among ex-prisoners, Social Exclusion Unit, 2002.
- [11] An essential element of effective practice: An Inspection of National Probation Service Work on Offender Accommodation, Home Office, 2005.
- [12] Matrix SP services survey, 2004.
- [13] The cost of Domestic Violence, Walby, 2004.
- [14] Community Care Statistics, Home Care Services for Adults, England 2008, The Health and Social Care Information Centre, 2008.
- [15] Unit Costs of Health and Social Care 2005, Curtis and Netten, Personal Social Services Research Unit, University Of Kent, 2005.

[16] The Cost of Foster Care, Collier and Tapsfield, BAAF, 2005.

[17] Estimating the short and longer-term costs of statutory homelessness to households and service providers, ODPM, 2003 (unpublished)

The financial benefits model has been submitted to CLG at the same time as this report. For each client group it includes a comprehensive list of data sources and detail of which figures have been obtained from each data source.

# Chapter 5

## Glossary

### 5.1 General terms

**Alternative scenario:** A scenario for a client group which involves allocating all Supporting People clients to services other than those involving Supporting People funding. In this research, the alternative scenario always consists of the most appropriate positive alternative to support independent living under an assumption that Supporting People funding is not available.

**Basic package cost:** The household unit cost of providing a particular support package to a member of a particular client group. This includes the direct costs of providing that support package, but excludes the cost of events (whether positive interventions or adverse incidents).

**(Basic) support package:** A package that can be provided to people within a particular client group to help them to live independently, or to support them in some other way. This may be an existing support package that involves an element of input funded by Supporting People, or one that does not (in these instances, it is either a similar package to the existing one but without SP services, or a residential care package).

**Event cost:** The cost per household unit of events associated with a support package. For each client group, the research considered a range of events that could happen to members of that group. These events are all either adverse incidents that could happen to clients (such as becoming a victim of crime) or positive interventions designed to help the clients. (For examples see section 2.5.)

**Household unit:** A household to which SP services are supplied (typically consisting of a single person, but sometimes of a couple or family).

**Scenario:** A modelled situation where the clients in a particular client group are allocated to a range of different support packages. (For each client group, two scenarios are modelled. One is the existing scenario, where clients are provided with Supporting People funded services, the other is an alternative scenario – see definition for Alternative scenario above.)



**Total cost (in the context of a support package):** The total of the basic cost and the event costs for a support package.

## 5.2 Client group definitions

**People with alcohol problems:** People with alcohol problems who are homeless or who are having difficulties in relation to sustaining their accommodation or managing to live independently as a result of their alcohol problems.

**Women at risk of domestic violence:** Women at risk of domestic violence who have left their home or who are having difficulties in keeping their home and establishing their personal safety and security.

**People with drug problems:** People with drug problems who are homeless or who are having difficulties in relation to sustaining their accommodation or managing to live independently as a result of their drug problems.

**Homeless families with support needs in settled accommodation:** Families who have been accepted as statutorily homeless and are placed in accommodation of one of the following types: supported lodgings, supported housing, floating support, accommodation based-service or teenage parent accommodation.

**Homeless families with support needs in temporary accommodation:** Families who have been accepted as statutorily homeless and are placed in accommodation of one of the following types: homeless refuge, homeless hostel, B&B or other temporary accommodation.

**Single homeless with support needs in settled accommodation:** People who have been accepted as homeless and in priority need, and also those who have been turned down for re-housing or have not approached the local authority, and who have a range of support needs. Their accommodation type is one of the following: supported lodgings, supported housing, floating support, accommodation based-service or teenage parent accommodation.

**Single homeless with support needs in temporary accommodation:** People who have been accepted as homeless and in priority need, and also those who have been turned down for re-housing or have not approached the local authority, and who have a range of support needs. Their accommodation type is one of the following: homeless refuge, homeless hostel, B&B or other temporary accommodation.

**People with learning disabilities:** People with mild to moderate learning disabilities, as well as those with more severe learning disabilities and/or challenging behaviour.

**People with mental health problems:** People with enduring but relatively low level mental illness or disability, as well as those who have been diagnosed as mentally ill and who have had, or are having specialist treatment.

**Offenders, people at risk of offending or mentally disordered offenders:** Offenders, or people at risk of offending, who are homeless or who are having difficulties in relation to sustaining their accommodation or managing to live independently as a result of their offending behaviour. Also included in this client group are accused or convicted persons with mild to acute mental health needs or with learning difficulties or people with mental health needs whose behaviour has its roots in a personality disorder or people with mental health needs exacerbated by alcohol or substance misuse.

**Older people in sheltered accommodation:** Older people who either have low to medium support needs, are physically disabled or frail, or have mental health problems including dementia and are living in sheltered housing for older people, supporting lodgings or supported housing.

**Older People in very sheltered accommodation:** Older people who either have low to medium support needs, are physically disabled or frail, or have mental health problems including dementia and are living in very sheltered housing for older people.

**Older people receiving floating support / other older people:** Older people who either have low to medium support needs, are physically disabled or frail, or have mental health problems including dementia and are receiving floating support services. This group also contains other older people who don't fall into the floating support, sheltered or very sheltered categories: these people principally receive community or social alarm services.

**People with a physical or sensory disability:** People with mobility difficulties, sensory impairments and debilitating or long term illness.

**Teenage parents:** Young single parents needing support and vulnerable young women in this age group who are pregnant.

**Young people at risk in settled accommodation:** Homeless young people and those in insecure accommodation. Their accommodation type is one of the following: supported lodgings, supported housing, floating support, accommodation based-service or teenage parent accommodation.

**Young people at risk in temporary accommodation:** Homeless young people and those in insecure accommodation. Their accommodation type is one of the following: homeless refuge, homeless hostel, B&B or other temporary accommodation.

**Young people leaving care:** Young people leaving administering authority care who need support. (ref. Care Leavers Act and its definition of relevant children)

# Chapter 6

## Appendix A: Data gathered

### 6.1 Purpose

The estimated total costs of packages, with and without Supporting People services, have been collected from a variety of sources. The costs of the packages considered are documented in the following tables, with costs shown on a per household unit basis. Data sources are identified in the tables.

It should be noted that in all cases:

- SP costs shown are as reported by local authorities;
- costs of packages are estimates of averages – and as such they represent a spread of costs; and
- costs have been inflated to 2009 values using the Retail Prices Index.

In some cases, calculations are referenced; these calculations can be found in section 6.4.

All the numbers shown in this section are costs for basic packages only; *they do not include costs of events that happen to clients.*

## 6.2 Socially excluded groups

### 6.2.1 *Women at risk of domestic violence*

<b>Table 6.2.1(i)</b> Package with Supporting People services (the existing package) – cost per household unit per annum		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£7,223	SPLS data
Housing Costs	£8,669	SP Leads estimate of £150 per week
Benefits & Related Services	£8,776	SP Leads estimate of £140 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£24,668</b>	

### *Packages considered as part of the alternative scenario – costs per household unit per annum*

<b>Table 6.2.1(ii)</b> Package without Supporting People services (the existing package but without SP services); applies to all household units		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Housing Costs	£8,669	SP Leads estimate of £150 per week
Benefits & Related Services	£8,776	SP Leads estimate of £140 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£17,445</b>	

### 6.2.2 *Homeless families in settled accommodation*

<b>Table 6.2.2(i)</b> Package with Supporting People services (the existing package) – cost per household unit per annum		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£3,449	SPLS data
Housing Costs	£8,669	SP Leads estimate of £150 per week
Benefits & Related Services	£8,776	SP Leads estimate of £140 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£20,894</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

<b>Table 6.2.2 (ii)</b> Package without Supporting People services (the existing package but without SP services); applies to all household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Housing Costs	£8,669	SP Leads estimate of £150 per week
Benefits & Related Services	£8,776	SP Leads estimate of £140 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£17,445</b>	

**6.2.3 *Homeless families in temporary accommodation***

<b>Table 6.2.3(i)</b> Package with Supporting People services (the existing package) – cost per household unit per annum		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£4,765	SPLS data
Housing Costs	£8,669	SP Leads estimate of £150 per week
Benefits & Related Services	£8,776	SP Leads estimate of £140 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£22,210</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

<b>Table 6.2.3 (ii)</b> Package without Supporting People services (the existing package but without SP services); applies to all household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Housing Costs	£8,669	SP Leads estimate of £150 per week
Benefits & Related Services	£8,776	SP Leads estimate of £140 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£17,445</b>	

#### 6.2.4 Homeless single people in settled accommodation

**Table 6.2.4(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£4,973	SPLS data
Housing Costs	£4,046	SP Leads estimate of £70 per week
Crime costs	£1,473	Home Office estimate of Probation Cost [see 6.4.1], multiplied by 20% (CLG estimate of proportion of client group using Probation services)
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£14,643</b>	

**Packages considered as part of the alternative scenario – costs per household unit per annum**

**Table 6.2.4 (ii)** Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing Costs	£4,046	SP Leads estimate of £70 per week
Crime costs	£1,473	Home Office estimate of Probation Cost [6.4.1], multiplied by 20% (CLG estimate of proportion of client group using Probation services)
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£9,671</b>	

### 6.2.5 Homeless single people in temporary accommodation

**Table 6.2.5(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£8,283	SPLS data
Housing Costs	£7,802	SP Leads estimate of £135 per week
Crime costs	£1,473	Home Office estimate of Probation Cost [see 6.4.1], multiplied by 20% (CLG estimate of proportion of client group using Probation services)
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£21,710</b>	

**Packages considered as part of the alternative scenario – costs per household unit per annum**

**Table 6.2.5 (ii)** Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing Costs	£7,802	SP Leads estimate of £135 per week
Crime costs	£1,473	Home Office estimate of Probation Cost [see 6.4.1], multiplied by 20% (CLG estimate of proportion of client group using Probation services)
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£13,427</b>	



### 6.2.6 *Offenders or people at risk of offending, and mentally disordered offenders*

<b>Table 6.2.6(i)</b> Package with Supporting People services (the existing package) – cost per household unit per annum		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£6,935	SPLS data
Housing Costs	£4,046	SP Leads estimate of £70 per week
Crime costs	£7,364	Home Office estimate of Probation Cost [see 6.4.1]
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£22,496</b>	

### *Packages considered as part of the alternative scenario – costs per household unit per annum*

<b>Table 6.2.6 (ii)</b> Package without Supporting People services (the existing package but without SP services); applies to all household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Housing Costs	£4,046	SP Leads estimate of £70 per week
Crime costs	£7,364	Home Office estimate of Probation Cost [see 6.4.1]
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£15,562</b>	

### 6.2.7 Teenage parents

**Table 6.2.7(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£6,520	SPLS data
Housing Costs	£8,669	stakeholder validated estimate of £150 per week
Benefits & Related Services	£6,044	stakeholder validated estimate of £101 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£21,233</b>	

*Packages considered as part of the alternative scenario – costs per household unit per annum*

**Table 6.2.7 (ii)** Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing Costs	£8,669	stakeholder validated estimate of £150 per week
Benefits & Related Services	£6,044	stakeholder validated estimate of £101 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£14,713</b>	

### 6.2.8 *Young people at risk in settled accommodation*

**Table 6.2.8(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£6,807	SPLS data
Housing Costs	£4,046	SP Leads estimate of £70 per week
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£15,005</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

**Table 6.2.8 (ii)** Package without Supporting People services (the existing package but without SP services); applies to 95% of household units.

Component	Cost per annum	Source
Housing Costs	£4,046	SP Leads estimate of £70 per week
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£8,198</b>	

**Table 6.2.8 (iii)** Package involving inpatient psychiatric care; applies to 5% of household units.

Component	Cost per annum	Source
Residential Package	£71,104	PSSRU 2008 [8](p51): Daily inpatient costs of £183 per inpatient (excluding living costs)
Benefits & Related Services	£7,079	PSSRU (2008) [8](p51): Daily allowance of £18.20 per day allowance for long-stay hospital patients
<b>Total</b>	<b>£78,184</b>	

### 6.2.9 Young people at risk in temporary accommodation

**Table 6.2.9(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£8,141	SPLS data
Housing Costs	£7,802	SP Leads estimate of £135 per week
Benefits & Related Services	£4,152	£3120 (£60 per week) SP Leads estimate + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£20,095</b>	

#### *Packages considered as part of the alternative scenario – costs per household unit per annum*

**Table 6.2.9(ii)** Package without Supporting People services (the existing package but without SP services); applies to 95% of household units.

Component	Cost per annum	Source
Housing Costs	£7,802	SP Leads estimate of £135 per week
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£11,955</b>	

**Table 6.2.9(iii)** Package involving inpatient psychiatric care; applies to 5% of household units.

Component	Cost per annum	Source
Residential Package	£71,104	PSSRU 2008 [8](p51): Daily inpatient costs of £183 per inpatient (excluding living costs)
Benefits & Related Services	£7,079	PSSRU (2008) [8](p51): Daily allowance of £18.20 per day allowance for long-stay hospital patients
<b>Total</b>	<b>£78,184</b>	

### 6.2.10 Young people leaving care

**Table 6.2.10(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£6,718	SPLS data
Housing Costs	£4,046	SP Leads estimate of £150 per week
Benefits & Related Services	£3,910	stakeholder validated estimate of £61 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£14,673</b>	

#### *Packages considered as part of the alternative scenario – costs per household unit per annum*

**Table 6.2.10(ii)** Package without Supporting People services (the existing package but without SP services); applies to 80% of household units.

Component	Cost per annum	Source
Housing Costs	£4,046	SP Leads estimate of £150 per week
Benefits & Related Services	£3,910	stakeholder validated estimate of £61 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£7,955</b>	

**Table 6.2.10(iii)** Package involving foster care; applies to 15% of household units.

Component	Cost per annum	Source
Residential Package	£14,349	The Cost of Foster Care (2005) [16](p2): Weekly cost of £234 per week
Benefits & Related Services	£3,910	stakeholder validated estimate of £61 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£18,259</b>	

<b>Table 6.2.10(iv)</b> Package involving inpatient psychiatric care; applies to 5% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Package	£71,104	PSSRU 2008 [8](p51): Daily inpatient costs of £183 per inpatient (excluding living costs)
Benefits & Related Services	£3,910	PSSRU (2008) [8](p51): Daily allowance of £18.20 per day allowance for long-stay hospital patients
<b>Total</b>	<b>£75,014</b>	

## 6.3 Groups with age, health or disability related problems

### 6.3.1 *People with alcohol problems*

<b>Table 6.3.1(i)</b> Package with Supporting People services (the existing package) – cost per household unit per annum		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£5,942	SPLS data [see 6.4.4]
Housing Costs	£4,046	stakeholder validated estimate of £70 per week
Benefits & Related Services	£4,152	stakeholder validated estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£14,140</b>	

### *Packages considered as part of the alternative scenario – costs per household unit per annum*

<b>Table 6.3.1(ii)</b> Package without Supporting People services (the existing package but without SP services); applies to 40% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Housing Costs	£4,046	stakeholder validated estimate of £70 per week
Benefits & Related Services	£4,152	stakeholder validated estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£8,198</b>	

**Table 6.3.1(iii)** Package involving residential care (rehabilitation arrangement) applies to 40% of household units.

Component	Cost per annum	Source
Residential Package	£43,778	PSSRU 2008 [8]: £790 per week for residential rehabilitation
Benefits & Related Services	£4,152	stakeholder validated estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£47,931</b>	

**Table 6.3.1(iv)** Package involving inpatient care; applies to 20% of household units.

Component	Cost per annum	Source
Residential Package	£85,185	PSSRU 2008 [8]: £219 per day for inpatient care for people with drug/alcohol problems
Benefits & Related Services	£4,152	stakeholder validated estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£89,338</b>	

### 6.3.2 *People with drug problems*

**Table 6.3.2(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£6,158	SPLS data [see 6.4.4]
Housing Costs	£4,046	SP Leads estimate of £70 per week
Health service costs	£2,346	Call for evidence estimate giving £4,222 pa as the cost of a joint health service/CJS drug treatment programme
Crime costs	£2,346	Call for evidence estimate giving £4,222 pa as the cost of a joint health service/CJS drug treatment programme
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£19,049</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

**Table 6.3.2(ii)** Package involving residential care (rehabilitation arrangement) applies to 80% of household units.

Component	Cost per annum	Source
Residential Package	£43,778	PSSRU 2008 [8]: £790 per week for residential rehabilitation.
Crime costs	£2,346	Call for evidence estimate giving £4,222 pa as the cost of a joint health service/CJS drug treatment programme
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£50,277</b>	

**Table 6.3.2(iii)** Package involving inpatient care; applies to 20% of household units.

Component	Cost per annum	Source
Residential Package	£85,185	PSSRU 2008 [8]: £219 per day for inpatient care for people with drug/alcohol problems.
Crime costs	£2,346	Call for evidence estimate giving £4,222 pa as the cost of a joint health service/CJS drug treatment programme.
Benefits & Related Services	£4,152	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£91,684</b>	



### 6.3.3 *People with learning disabilities*

**Table 6.3.3(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£11,825	SPLS data [see 6.4.4]
Housing Costs	£4,046	SP Leads estimate of £70 per week
Social services care	£18,841	Estimates based on published data [see table 6.4.2]
Benefits & Related Services	£4,298	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£39,010</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

**Table 6.3.3 (ii)** Package without Supporting People services (the existing package but without SP services); applies to 35% of household units.

Component	Cost per annum	Source
Housing Costs	£4,046	SP Leads estimate of £70 per week
Social services care	£18,841	Estimates based on published data see table 6.4.2]
Benefits & Related Services	£4,298	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£27,185</b>	

<b>Table 6.3.3 (iii)</b> Package involving residential care; applies to 65% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Package	£74,589	PSSRU 2008 [8]: Weekly costs of £1,131 (establishment) + £179 (day services) + £36 (community services)
Benefits & Related Services	£4,544	PSSRU 2008 [8] estimate of £67 per week living cost while in residential care+ £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£79,133</b>	

#### 6.3.4 *People with mental health problems*

<b>Table 6.3.4(i)</b> Package with Supporting People services (the existing package) – cost per household unit per annum		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£6,823	SPLS data [see 6.4.4]
Housing Costs	£5,548	SP Leads estimate of £96 per week
Social services care	£6,788	Estimates based on published data [see table 6.4.2]
Benefits & Related Services	£4,298	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£23,458</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

<b>Table 6.3.4 (ii)</b> Package without Supporting People services (the existing package but without SP services); applies to 59% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Housing Costs	£5,548	SP Leads estimate of £96 per week
Social services care	£6,788	Estimates based on published data [see table 6.4.2]
Benefits & Related Services	£4,298	SP Leads estimate of £60 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£16,635</b>	

<b>Table 6.3.4 (iii)</b> Package involving residential care; applies to 8% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Package	£25,743	PSSRU 2008 [8](p45): Weekly costs of £465 per week (£485 less £20 living expenses)
Benefits & Related Services	£1,964	PSSRU 2008 [8](p45) estimate of £20.45 per week living cost while in residential care+ £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£27,707</b>	

<b>Table 6.3.4 (iv)</b> Package involving hospital care; applies to 33% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Package	£71,104	PSSRU 2008 [8](p51): Daily inpatient costs of £183 per inpatient (excluding living costs)
Benefits & Related Services	£7,910	PSSRU (2008) [8](p51): Daily allowance of £18.20 per day allowance for long-stay hospital patients + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£79,015</b>	

### 6.3.5 Older people receiving floating support and other older people

**Table 6.3.5(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£264	SPLS data [see 6.4.4]
Housing Costs	£4,126	SP Leads estimate of £70 per week. Multiplier of 1.02 people per household applied
Social services care	£1,038	Estimates based on published data [see 6.4.2]. Multiplier of 1.02 people per household applied
Benefits & Related Services	£3,558	SP Leads estimate of £60 per week + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]. Multiplier of 1.02 people per household applied
<b>Total</b>	<b>£8,986</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

**Table 6.3.5 (ii)** Package without Supporting People services (the existing package but without SP services); applies to 95% of household units.

Component	Cost per annum	Source
Housing Costs	£4,126	SP Leads estimate of £70 per week. Multiplier of 1.02 people per household applied
Social services care	£1,038	Estimates based on published data [see 6.4.2]. Multiplier of 1.02 people per household applied
Benefits & Related Services	£3,558	SP Leads estimate of £60 per week + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]. Multiplier of 1.02 people per household applied
<b>Total</b>	<b>£8,722</b>	

<b>Table 6.3.5 (iii)</b> Package involving residential care; applies to 5% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Package	£26,397	PSSRU 2008 [8]: Weekly costs of £467. Multiplier of 1.02 people per household applied
Benefits & Related Services	£541	PSSRU 2008 [8] estimate of £9.20 per week living cost while in residential care + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]. Multiplier of 1.02 people per household applied
<b>Total</b>	<b>£26,937</b>	

### 6.3.6 *Older people in very sheltered accommodation*

<b>Table 6.3.6(i)</b> Package with Supporting People services (the existing package) – cost per household unit per annum		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£1,324	SPLS data [see 6.4.4]
Housing Costs	£7,453	Estimates based on published data [see 6.4.3]
Social services care	£9,135	Estimates based on published data [see 6.4.2]
Benefits & Related Services	£3,488	SP Leads estimate of £60 per week + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]
Other Services	£1,136	Estimates based on published data [see 6.4.2]
<b>Total</b>	<b>£22,536</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

**Table 6.3.6 (ii)** Package without Supporting People services (the existing package but without SP services); applies to 50% of household units.

Component	Cost per annum	Source
Housing Costs	£7,453	Estimates based on published data [see 6.4.3]
Social services care	£9,135	Estimates based on published data [see 6.4.2]
Benefits & Related Services	£3,488	SP Leads estimate of £60 per week + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]
Other Services	£1,136	Estimates based on published data [see 6.4.2]
<b>Total</b>	<b>£21,213</b>	

**Table 6.3.6 (iii)** Package involving nursing care; applies to 30% of household units.

Component	Cost per annum	Source
Residential Package	£25,879	PSSRU 2008 [8]: Weekly costs of £467
Benefits & Related Services	£530	PSSRU 2008 [8] estimate of £9.20 per week living cost while in residential care + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]
<b>Total</b>	<b>£26,409</b>	

**Table 6.3.6 (iv)** Package involving residential care; applies to 20% of household units.

Component	Cost per annum	Source
Residential Package	£37,572	PSSRU 2008 [8]: Weekly costs of £678
Benefits & Related Services	£530	PSSRU 2008 [8] estimate of £9.20 per week living cost while in residential care + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]
<b>Total</b>	<b>£38,102</b>	

### 6.3.7 Older people in sheltered accommodation

**Table 6.3.7(i)** Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£440	SPLS data [see 6.4.4]
Housing Costs	£6,511	Estimates based on published data [see 6.4.3]
Social services care	£1,862	Estimates based on published data [see 6.4.2]
Benefits & Related Services	£3,488	SP Leads estimate of £60 per week + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]
Other Services	£679	Estimates based on published data [see 6.4.2]
<b>Total</b>	<b>£12,980</b>	

***Packages considered as part of the alternative scenario – costs per household unit per annum***

**Table 6.3.7 (ii)** Package without Supporting People services (the existing package but without SP services); applies to 90% of household units.

Component	Cost per annum	Source
Housing Costs	£6,511	Estimates based on published data [see 6.4.3]
Social services care	£1,862	Estimates based on published data [see 6.4.2]
Benefits & Related Services	£3,488	SP Leads estimate of £60 per week + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]
Other Services	£679	Estimates based on published data [see 6.4.2]
<b>Total</b>	<b>£12,540</b>	

<b>Table 6.3.7 (iii)</b> Package involving residential care; applies to 10% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Package	£25,879	PSSRU 2008 [8]: Weekly costs of £467
Benefits & Related Services	£530	PSSRU 2008 [8] estimate of £9.20 per week living cost while in residential care + £20.10 administration costs for a pensioner (DWP) [see 6.4.1]
<b>Total</b>	<b>£26,409</b>	

### 6.3.8 *People with a physical or sensory disability*

<b>Table 6.3.8(i)</b> Package with Supporting People services (the existing package) – cost per household unit per annum		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£2,392	SPLS data [see 6.4.4]
Housing Costs	£7,500	stakeholder validated estimate of £144 per week
Social services care	£11,249	Estimates based on published data [see 6.4.2]
Benefits & Related Services	£7,427	stakeholder validated estimate of £127 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£28,569</b>	



***Packages considered as part of the alternative scenario – costs per household unit per annum***

<b>Table 6.3.8 (ii)</b> Package without Supporting People services (the existing package but without SP services); applies to 70% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Housing Costs	£7,500	stakeholder validated estimate of £144 per week
Social services care	£11,249	Estimates based on published data [see 6.4.2]
Benefits & Related Services	£7,427	stakeholder validated estimate of £127 per week + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£26,177</b>	

<b>Table 6.3.8 (iii)</b> Package involving residential care; applies to 30% of household units.		
<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Package	£40,675	PSSRU 2008 [8](p76): Weekly costs of £734
Benefits & Related Services	£7,218	PSSRU 2008 [8](p77) estimate of £117.90 per week living cost in a special needs flat + £643 unit cost of Jobcentre Plus administration [see 6.4.1]
<b>Total</b>	<b>£47,893</b>	

## 6.4 Calculations underlying costs of basic packages

### 6.4.1 *Estimation of benefits administration and probation costs*

#### **Calculation 1: Benefits administration costs for an older person**

Annual cost of DWP administration for pensions 2007-8 [3]: £244,000,000

Number of pensioners (Aug 08)[4]: 12,142,220.

Annual cost of DWP administration per pensioner, 2007 prices: £20.10.

#### **Calculation 2: Jobcentre Plus administration costs for people of working age**

The project has been advised by DWP that the majority of people of working age who claim benefits are processed by Job Centres. The annual cost of that is calculated as follows:

Annual net cost of running Job Centres 2007-8 [5]: £3,363,045,000

Number of DWP clients of working ages [4] (Aug 08): 5,232,880

Annual cost of Jobcentre Plus administration per person of working age, 2007 prices: £642.68.

#### **Calculation 3: Cost of providing Probation Services**

Annual cost of running the National Probation Service 2007-8 [6]:

£1,037,700,000

Number of people supervised by NPS [7]: 150,180

Annual cost of NPS per service user, 2007 prices: £6,910.

### 6.4.2 *Estimation of social services care and nursing costs*

As mentioned in section 2.4, a number of costs have been revisited and estimated as part of the current work. These are costs of:

- Statutory domiciliary care;
- Nursing in individuals' homes; and
- Day care.

Note that these costs specifically exclude district and community nursing; they relate only to nursing associated with accommodation such as sheltered or very sheltered accommodation for older people.

The costs relate primarily to Supporting People clients with age, health or disability related problems. They are assumed to be zero for the socially excluded groups. Also, on the advice of an expert consultant, they are assumed to be zero for people with alcohol and drug problems.

Table 6.4.1 contains the estimated values for the costs. Their calculation is then explained in the text below the table.

It should be noted that the calculations provide rough estimates only. Accurate figures on these costs for the Supporting People client base are not available. However, a number of stakeholders have been consulted about the costs in table 6.4.1, in order to validate them as estimates and provide any appropriate challenges to the figures. These stakeholders were:

- for older people in very sheltered accommodation – an advisor to the Department of Health on “extra care” schemes;
- for older people in sheltered accommodation, receiving floating support or in other categories – an expert consultant with experience of commissioning social care; and
- for people with learning disabilities, people with mental health problems and people with a physical or sensory disability – an expert consultant in discussion with local authorities.

Cross-checks have also been carried out by the project team to ensure that total modelled expenditure on day care and statutory domiciliary care do not exceed nationally published totals.

<b>Table 6.4.1</b> Costs of statutory domiciliary care, nursing in individuals' homes and day care, at 2007/8 prices						
<b>Client Group</b>	<b>Learning Disability</b>	<b>Older – floating support and other</b>	<b>Older – sheltered</b>	<b>Older – very sheltered</b>	<b>Mental Health</b>	<b>Physical / Sensory disability</b>
Statutory domiciliary care	£8,372	£774	£1,547	£8,372	£4,186	£8,372
Nursing in individuals' homes	–	–	£637	£1,066	–	–
Day care	£9,308	£200	£200	£200	£2,184	£2,184
Total	£17,680	£974	£2,384	£9,638	£6,370	£10,566

#### **6.4.2(i) Statutory domiciliary care**

The figure for **older people in very sheltered accommodation** is derived from, “Unit Costs of Health and Social Care” [8].

- Sections 1.10 and 1.11 of that document contain figures about ‘Salary and revenue’ costs and ‘Other health and social services costs’.

- We assume that all but £35 per week (a stakeholder estimate of service charges) of the 'Salary and revenue costs' and half of the 'Other health and social services costs' can be considered to be domiciliary care.
- Taking an average of values for local authority housing and housing association housing gives a value equal to  $52 \times ((90+261)/2 - 35 + ((33+49)/2) \times 0.5) = \textbf{£8,372pa}$ .

As a validation check on this figure, we obtained guidance from an expert consultant that levels of statutory domiciliary care could be estimated by assuming a client split in ratios of 33:33:33 or 20:40:40 between those requiring 0-5, 5-10 or 10-35 hours a week at £14 per hour. This suggests costs of £152-£175 per week if we take the packages to be 2.5, 7.5 and 22.5 hours on average; or annual costs of £7,904 – £9,000. These are similar to the calculated figure of £8,372pa.

The figure for **older people in sheltered accommodation** is also derived from "Unit Costs of Health and Social Care" [8].

- Sections 1.8 and 1.9 of that document contain figures about 'Salary and revenue' costs and 'Other health and social services costs'.
- We assume that half of the 'Salary and revenue costs' and half of the 'Other health and social services costs' can be considered to be domiciliary care.
- Taking an average of values for local authority housing and housing association housing gives a value equal to  $52 \times ((30+40)/2 + (17+32)/2) \times 0.5 = \textbf{£1,547pa}$ .

The figure for **older people receiving floating support and other older people**, of **£774pa**, is derived from an approximate assumption that this group will use approximately half the levels of statutory domiciliary care used by older people in sheltered accommodation.

For **people with a physical or sensory disability** and for **people with learning disabilities**, a figure of **£8,372** is derived by assuming that the level of domiciliary care needed will be similar to that for older people in very sheltered accommodation.

For **people with mental health problems**, a figure of **£4,186** is derived by assuming that the level of domiciliary care needed will be around half of that for people with a physical or sensory disability, people with learning disabilities and older people in very sheltered accommodation.

### 6.4.2(ii) *Nursing in individual's homes*

The figure for **older people in very sheltered accommodation** is derived from "Unit Costs of Health and Social Care" [8].

- Sections 1.10 and 1.11 of that document contain figures about 'Other health and social services costs'.
- We assume that half of these 'Other health and social services' costs can be considered to be nursing care (with the remainder being statutory domiciliary care, see section 6.4.1(i)).
- Taking an average of values for local authority housing and housing association housing gives a value equal to  $52 \times ((33+49)/2) \times 0.5 = \text{£1,066pa}$ .

The figure for **older people in sheltered accommodation** is derived from "Unit Costs of Health and Social Care" [8].

- Sections 1.8 and 1.9 of that document contain figures about 'Other health and social services costs'.
- We assume that half of these 'Other health and social services' costs can be considered to be nursing care (with the remainder being statutory domiciliary care, see section 6.4.1 (i)).
- Taking an average of values for local authority housing and housing association housing gives a value equal to  $52 \times ((17+32)/2) \times 0.5 = \text{£637pa}$ .

It is assumed, on the advice of an expert consultant, that there are no nursing costs associated with accommodation for the remaining client groups shown in table 6.4.1.

### 6.4.2(iii) *Day care*

The figures for **older people in sheltered accommodation**, **older people in very sheltered accommodation** and **older people receiving floating support and other older people** are all shown as **£200pa**. This is a very rough estimate, designed to be compatible with a national statistic from "Personal Social Services Expenditure and Unit Costs" [9]. That document shows annual expenditure on day care for older people groups to be around £340m. Our estimate of £200 per unit of support, when multiplied by the number of units of support for older people in the model, gives a figure of  $200 \times 838,000$ , or approximately £170m. This is roughly compatible with the £340m figure, especially if we assume, as seems reasonable, that not all day care for older people is provided to those who are also receiving Supporting People services.

The figures for **people with learning disabilities** come from “Unit Costs of Health and Social Care” [8]. In section 4.1 of that document there is an estimate of £179 per week for day care for a client with learning disabilities in a group home. We have assumed that the figure will be similar for a client receiving Supporting People services. The figure equates to  $179 \times 52 = \textbf{£9,308pa}$ .

The figures for **people with mental health problems** and **people with a physical or sensory disability** are derived from “Unit Costs of Health and Social Care” [8].

- It is assumed that Supporting People clients will require an average of 2 day care sessions per week at a cost of £21 per session.
- Multiplying this by the number of weeks in a year gives a figure of  $52 \times 2 \times 21 = \textbf{£2,184pa}$ .

#### **6.4.3 *Estimation of accommodation costs (older people in sheltered and very sheltered accommodation)***

The majority of costs for accommodation contained in the model are estimates from the 2006 work [1].

However, “Unit Costs of Health and Social Care” [8] provides accurate figures for accommodation costs for older people in sheltered accommodation and very sheltered accommodation, and so these have been used in the model.

The figure for **older people in very sheltered accommodation** is derived as follows:

- Sections 1.10 and 1.11 contain figures for ‘notional rent’. Taking an average of the figures for local authority housing and housing association housing gives a value equal to  $(94+105)/2$ , or £99.50 per week.
- Adding on the value of £35 for service charge (identified in 6.4.1 (i)) gives a figure of £134.50 per week or **£6,994 pa**.

The figure for **older people in sheltered accommodation** is derived as follows:

- Sections 1.8 and 1.9 contain figures for “notional rent”. Taking an average of the figures for local authority housing and housing association housing gives a value equal to  $(95+105)/2$ , or £100 per week.
- We add on the half the value of ‘Salary and revenue’ costs, assuming them to represent service charges (we assumed the other half were statutory domiciliary care costs in 6.4.1(i)). We add on a figure of  $((30+40)/2) \times 0.5$ , or £17.50 per week. This gives a total of £117.50 per week, or **£6,110 pa**.

#### **6.4.4 Estimation of SP costs**

SP costs for each client group are calculated as *annual SP spend for client groups from 2007/8, taken from May 2008 SPLS uploads* divided by *service capacity in household units, as at 31<sup>st</sup> March 2008*.

# Chapter 7

## Appendix B: Updates to the earlier research

### 7.1 Outline

As discussed in section 2.4, the earlier research [1] has been updated using the latest available data. In addition:

- New models have been added to it to cover four additional client groups;
- New work has been carried out to improve the accuracy of the modelling for the client groups consisting of older people; and
- Assumptions relating to the mental health of offenders or people at risk of offending, and mentally disordered offenders have been adjusted in view of published material and discussions with stakeholders.

These three points are discussed in sections 7.2 to 7.4.

### 7.2 Additional client groups

New models have been created for each of the four additional client groups:

- Teenage parents;
- Young people leaving care;
- People with a physical or sensory disability; and
- People with alcohol problems.

The estimates of percentage impact on event levels for these new client groups were created by the project team, and then validated with stakeholders. The stakeholders were presented with equivalent event data for similar client groups, and given the option of adjusting the impact figures where they considered it appropriate.



For teenage parents and young people leaving care, the stakeholders were representatives of CLG, and for people with alcohol problems they were representatives of ARP Rugby House<sup>29</sup> and the Department of Health. For people with a physical or sensory disability, an expert independent consultant provided estimates.

**Table 7.2 (i)** Assumptions about event reductions due to SP services for teenage parents

<b>Assumption</b>	<b>% reduction</b>
Reduction in occurrence of having children taken into the care of social services	35%
Reduction in level of admission to hospital due to a pregnancy-related health issue	25%
Reduction in level of attendance at outpatient appointments	10%
Reduction in level of visits from a community mental health nurse	8%
Reduction in level of visits to an A&E department	25%
Reduction in level of admission to acute mental health wards	15%
Reduction in occurrence of being a victim of burglary	11%
Reduction in level of visits to a GP due to a general health issue	5%
Reduction in occurrences of experiencing homelessness	100%
Reduction in occurrences of experiencing tenancy failure	25%
Reduction in level of admission to hospital due to a general health issue	5%
Reduction in arrests for prostitution	80%
Reduction in level of visits to a GP due to the baby's health	5%
Reduction in occurrences of having a second child as a teenager	33%

<sup>29</sup> ARP Rugby House is a charitable organisation concerned with substance misuse, formed in February 2009 from a merger of Alcohol Recovery Project and Rugby House

**Table 7.2 (ii)** Assumptions about event reductions due to SP services for young people leaving care

<b>Assumption</b>	<b>% reduction</b>
Reduction in level of attendance at outpatient appointments	15%
Reduction in occurrence of being a victim of burglary	11%
Reduction in occurrence of being a victim of street crime	9%
Reduction in level of admission to acute mental health wards	15%
Reduction in level of admission to hospital due to a general health issue	20%
Reduction in level of visits from a community mental health nurse	8%
Reduction in level of visits to a GP due to a general health issue	5%
Reduction in level of visits to an A&E department	40%
Reduction in occurrences of experiencing repeat homelessness within a year	70%
Reduction in occurrences of needing emergency temporary accommodation	80%
Reduction in level of convictions for reoffending	20%
Reduction in arrests for prostitution	80%

**Table 7.2 (iii)** Assumptions about event reductions due to SP services for people with a physical or sensory disability

<b>Assumption</b>	<b>% reduction</b>
Reduction in occurrence of being a victim of burglary	4%
Reduction in occurrence of being a victim of street crime	4%
Reduction in level of admission to acute mental health wards	10%
Reduction in level of admission to hospital due to a general health issue	5%
Reduction in level of visits from a community mental health nurse	5%
Reduction in level of visits to an A&E department	5%
Reduction in level of receiving non-statutory home care services	100%
Reduction in occurrences of experiencing homelessness	100%
Reduction in level of visits to a GP due to a general health issue	5%
Reduction in level of visits from a district nurse	5%

**Table 7.2 (iv)** Assumptions about event reductions due to SP services for people with alcohol problems

Assumption	% reduction
Reduction in level of court appearances	35%
Reduction in level of attendance of outpatient appointments	25%
Reduction in level of admission to acute mental health wards	35%
Reduction in level of admission to hospital due to a general health issue	30%
Reduction in level of treatment for alcohol problems	35%
Reduction in level of visits from a community mental health nurse	50%
Reduction in level of visits to a GP due to a general health issue	30%
Reduction in level of visits to an A&E department	25%
Reduction in occurrences of experiencing homelessness	100%
Reduction in occurrences of experiencing tenancy failure	40%
Reduction in arrests for prostitution	40%
Reduction in level of receiving urgent dental treatment	50%

## 7.3 Modelling of older people

The 2006 research considered three groups of older people [1]. They were:

- Older people receiving floating support;
- Older people in sheltered accommodation, and other older people; and
- Older people in very sheltered accommodation.

As mentioned in section 2.3.2, these have been changed as part of the current work to:

- Older people receiving floating support, and other older people;
- Older people in sheltered accommodation; and
- Older people in very sheltered accommodation.

The reason for the adjustment is because the current research has reviewed the modelling treatment of “*other older people*”, which is the group of older people who are not either in sheltered or very sheltered accommodation or receiving floating support. It has been identified that members of this group primarily receive HIA (Home Improvement Agency) services or community

alarm services. In the 2006 work, they were placed in the same group as older people in sheltered accommodation for modelling purposes. In this work they have been placed in the same group as older people receiving floating support. This is because the costs of the support packages for “other older people” are more similar to those for older people receiving floating support than to those for older people in sheltered accommodation. In turn this is because sheltered accommodation is a service whose provision incurs some specific and significant additional costs over and above those incurred by provision of alarms, HIA services or floating support.

The grouping of “other older people” with older people receiving floating support, has made it appropriate to review the most appropriate allocations of the older people groups to residential care under the alternative provision scenarios.

In the 2006 work [1], these allocations were as shown in table 7.3(i).

<b>Table 7.3 (i)</b> Allocation of older people to alternative provision scenarios in the 2006 work		
	<b>Residential care</b>	<b>Nursing care</b>
Older people receiving floating support	5%	0%
Older people in sheltered accommodation, and other older people	10%	0%
Older people in very sheltered accommodation	20%	30%

In the current work, the allocation is as shown in table 7.3(ii)

<b>Table 7.3 (ii)</b> Allocation of older people to alternative provision scenarios in the current work		
	<b>Residential care</b>	<b>Nursing care</b>
Older people receiving floating support, and other older people	8%	0%
Older people in sheltered accommodation	10%	0%
Older people in very sheltered accommodation	20%	30%

The reason for the difference is as follows:

- It was considered that, carrying forward an assumption from the 2006 work, it was appropriate to allocate 10 per cent of older people in sheltered accommodation to residential care under the alternative provision scenario.
- It was further considered that, carrying forward assumptions from the 2006 work, it was appropriate to allocate 20 per cent and 30 per cent of older people in very sheltered accommodation to residential and nursing care respectively under the alternative provision scenario.
- For older people receiving floating support and other older people:
  - It was considered that, carrying forward an assumption from the 2006 work, it was appropriate to allocate 5 per cent of older people receiving floating support to residential care under the alternative provision scenario.
  - It was considered that, carrying forward an assumption from the 2006 work, it was appropriate to allocate 10 per cent of those “other older people” who received a community alarm service to residential care under the alternative provision scenario.
  - A new assumption was made, in discussion with an expert consultant, that it was appropriate to allocate 5 per cent of those “other older people” who received a Home Improvement Agency service to residential care under the alternative provision scenario. This was a revision of an assumption implicit in the 2006 work that 10 per cent of this group would be allocated to residential care under the alternative provision scenario.
  - Taking a weighted average of these three percentages, it was appropriate to allocate 8 per cent of all of the client group “older people receiving floating support and other older people” to residential care under the alternative provision scenario.

## 7.4 Offender mental health assumptions

The 2006 research [1] contained assumptions concerning the mental health of offenders and those at risk of offending. It was assumed that:

- Offenders and those at risk of offending were twice as likely as the general population to be admitted to an acute mental health ward; and
- Offenders and those at risk of offending were twice as likely as the general population to be visited by a community mental health nurse.

Through this research, it has been determined that more appropriate estimates are that:

- Offenders, those at risk of offending and mentally disordered offenders taken together are five times more likely than the general population to be admitted to an acute mental health ward; and
- Offenders, those at risk of offending and mentally disordered offenders taken together are five times more likely than the general population to be visited by a community mental health nurse.

This decision was informed by the following:

- The Ministry of Justice report *The problems and needs of newly sentenced prisoners: results from a national survey*<sup>30</sup> identifies very high rates of drug and alcohol use amongst newly sentenced prisoners, and shows that more than 80 per cent of this group experience high levels of anxiety and depression in the four weeks before admission to prison. Whilst the latter statistic is likely to be correlated to the stress associated with this period, all of this nevertheless points to rates of mental health problems amongst offenders being very much greater than for the population as a whole.
- Advice from the Ministry of Justice's Health Strategy Unit is that, whilst there are some challenges with measuring the mental health of the offender population, the available research would back our move from using factors of two to factors of five in this analysis.

<sup>30</sup>The problems and needs of newly sentenced prisoners: results from a national survey (2008), Ministry of Justice

# Chapter 8

## Appendix C: Individual Budgets

Under the Putting People First policy concordat<sup>31</sup>, councils are moving to a system of self-directed support for social care. People who are eligible for social care will have a personal budget. This can be spent either on services commissioned by the council or taken as a direct payment. The council and the person agree a support plan setting out how the money will be used. The policy to introduce personal budgets relates only to social care money. However some councils have included Supporting People funding as part of an overall funding package for a person.

At this stage the introduction of personal budgets appears to have little impact on the modelling of Supporting People spending. In future there may be some implications:

- Councils may develop a better evidence base around the costs of support for individuals
- There may be a move away from block purchasing of services, and therefore better understanding of the actual costs of services.
- As the ringfence for Supporting People funding is removed, the distinction between social care funding and Supporting People funding may disappear, at least for those people eligible for social care.

<sup>31</sup> *Putting people first: a shared vision and commitment to the transformation of adult social care*, Department of Health, 2007

# Chapter 9

## Appendix D: Sensitivity analysis

### 9.1 Overview

This section discusses the area of model sensitivity, focussing on the areas of

- service utilisation; and
- assumptions concerning residential care.

### 9.2 Service utilisation

Consideration has been given to use of service utilisation data to see if it has any impact on the original calculations made in relation to SP package costs and therefore on the overall financial benefits of housing-related support. However, it needs to be noted that this data has not been through CLG's usual validation procedures and therefore is subject to a great deal of inaccuracy. The analysis presented here is therefore merely illustrative of potential impact.

It is assumed in the modelling work that the national SPLS data, which gives numbers of contracted units of provision and actual expenditure, is a true representation of the numbers of household units used and their costs.

However, it is considered that some services may not always be fully utilised (i.e. the number of household units actually supported during the quarter can fluctuate and can, at times, be lower than the contracted capacity of the service). For example, an accommodation based SP service may be staffed to deal with full occupancy, but the accommodation where it is based may be fully populated for only 90 or 95 per cent of the time due to client turnover. We have assumed, for purposes of hypothetical illustration, a 93 per cent utilisation of all services in the following analysis.

The overall level of SP financial benefits reported by this work is £3.41bn, based on an assumption of 100 per cent utilisation. An assumption of utilisation of 93 per cent would mean that:

- Seven per cent fewer clients were served by SP services; and as a result



- The original calculations used to determine the SP unit cost of supplying the service could increase by a factor of 1/0.93, or roughly 7.5 per cent.

The former of these factors reduces overall modelled benefit by an increment of 7 per cent; the latter by an additional increment which is smaller than this because of the relatively small proportion of overall package costs that is accounted for by Supporting People services.

Overall the assumption of 93 per cent utilisation reduces overall modelled benefit by 10.3 per cent, from £3.41bn to £3.06bn. The breakdown of the £3.06bn benefit is shown in table 9.2.

<b>Table 9.2</b> Financial benefits of Supporting People under an assumption that service utilisation is 93%		
<b>Client group</b>	<b>Cost (£m)</b>	<b>Net financial benefit (£m)</b>
People with alcohol problems	(20.7)	84.1
Women at risk of domestic violence	(68.8)	169.0
People with drug problems	(30.1)	144.6
Homeless families with support needs – settled accommodation	(32.5)	(2.8)
Homeless families with support needs – temporary accommodation	(17.5)	25.2
Single homeless with support needs – settled accommodation	(130.1)	19.4
Single homeless with support needs – temporary accommodation	(106.7)	82.7
People with learning disabilities	(369.4)	635.7
People with mental health problems	(254.4)	502.7
Offenders or people at risk of offending, and mentally disordered offenders	(55.4)	33.6
Older people in sheltered accommodation	(198.2)	587.7
Older people in very sheltered accommodation	(32.4)	112.5
Older people receiving floating support and other older people	(97.3)	577.2
People with a physical or sensory disability	(28.4)	66.2
Teenage parents	(24.9)	(18.8)

**Table 9.2** Financial benefits of Supporting People under an assumption that service utilisation is 93% (*continued*)

Client group	Cost (£m)	Net financial benefit (£m)
Young people at risk – settled accommodation	(94.9)	18.1
Young people at risk – temporary accommodation	(38.1)	22.1
Young people leaving care	(12.7)	(1.5)
<b>Total</b>	<b>(1,612.4)</b>	<b>3,057.9</b>

It should be noted that no difference is made to which client groups show positive and negative benefits (the reader may compare tables 1.3.1 and 9.2 to check this). This in part reflects the fact that the utilisation assumption applies uniformly across the client groups, and in part the fact that none of the client groups under the main analysis show the kind of very small positive benefits that this type of sensitivity analysis might turn to negative values.

### 9.3 Residential and hospital care

As discussed in section 2.5.2, the model assumes that, in the absence of Supporting People services, clients would be allocated to the most appropriate positive alternatives through an alternative provision scenario. Financial benefits are calculated by taking the difference between the costs of existing support arrangements and those under the alternative provision scenario.

For many client groups, the alternative provision scenario includes a significant element of provision of residential or hospital care. It follows that if the proportion of clients allocated to residential or hospital care in this scenario is varied then the model shows results which vary also. Because of the high costs of residential care, this variation is significant.

Whilst the assumptions in the model about allocations to alternative packages of support (which we can call the “core alternative provision scenario”) have been validated with stakeholders, giving us confidence in them, it is of interest to identify how the modelled benefits vary if these allocations are adjusted.

The following table, table 9.3, shows the financial benefits reported on in this report, and also the financial benefits that would result if:

- The number of clients allocated to residential care under the alternative provision scenario were cut by a factor of 100 per cent – this is scenario 1. This is theoretical only, since it is highly unlikely that all Supporting People clients could manage without either Supporting People services or any residential or other escalated care arrangements to compensate for their loss;
- The number of clients allocated to residential care under the alternative provision scenario were cut by a factor of 50 per cent – this is scenario 2. It might be argued that this is a plausible scenario, given the estimated nature of the allocation to alternative packages of support; or
- The number of clients allocated to residential care under the alternative provision scenario were increased by a factor of 50 per cent<sup>32</sup> – this is scenario 3. It might be argued that this is a plausible scenario, given the estimated nature of the allocation to alternative packages of support.

It should be noted that under scenario 1, the benefit is small and slightly negative at -£0.03bn. The reader will recall that the calculation basis is such that this is a net figure. This means that, even if the alternative provision scenario were to assume that no residential care or other escalated arrangements would be needed to compensate for the loss of Supporting People services, it would still be only slightly less expensive than providing the existing arrangements, as well as considerably less beneficial for clients.

Under scenarios 2 and 3, as with our core alternative provision scenario, large positive net financial benefits arise from the provision of Supporting People services, although the values are substantially different between the scenarios.

<sup>32</sup> In practice, the proportions allocated to residential care or hospital care cannot actually be increased for people with drug problems, since they total 100 per cent in the core allocation scenario. Therefore the proportions are kept the same in scenario 3 to those in the core allocation scenario.

**Table 9.3** Financial benefits of supporting people under varying alternative provision assumptions about residential care

Client group	Cost (£m)	Net financial benefit under different alternative provision scenarios (£m)			
		Core allocation scenario	Scenario 1	Scenario 2	Scenario 3
People with alcohol problems	(20.7)	92.0	(12.9)	39.5	144.5
Women at risk of domestic violence	(68.8)	186.9	186.9	186.9	186.9
People with drug problems	(30.1)	157.8	(22.0)	67.9	157.8
Homeless families with support needs – settled accommodation	(32.5)	(0.5)	(0.5)	(0.5)	(0.5)
Homeless families with support needs – temporary accommodation	(17.5)	28.5	28.5	28.5	28.5
Single homeless with support needs – settled accommodation	(130.1)	30.7	30.7	30.7	30.7
Single homeless with support needs – temporary accommodation	(106.7)	97.0	97.0	97.0	97.0
People with learning disabilities	(369.4)	711.3	(295.4)	208.0	1,214.6
People with mental health problems	(254.4)	559.7	(196.9)	181.4	938.0
Offenders or people at risk of offending, and mentally disordered offenders	(55.4)	40.3	40.3	40.3	40.3
Older people in sheltered accommodation	(198.2)	646.9	49.5	348.2	945.5
Older people in very sheltered accommodation	(32.4)	123.4	(19.0)	52.2	194.5

**Table 9.3** Financial benefits of supporting people under varying alternative provision assumptions about residential care (*continued*)

Client group	Cost (£m)	Net financial benefit under different alternative provision scenarios (£m)			
		Core allocation scenario	Scenario 1	Scenario 2	Scenario 3
Older People receiving floating support and other older people	(97.3)	628.0	109.3	368.7	887.3
People with a physical or sensory disability	(28.4)	73.3	6.4	39.9	106.8
Teenage parents	(24.9)	(18.3)	(18.3)	(18.3)	(18.3)
Young people at risk – settled accommodation	(94.9)	26.6	(18.3)	4.2	49.1
Young people at risk – temporary accommodation	(38.1)	26.7	13.8	20.2	33.1
Young people leaving care	(12.7)	(0.7)	(9.3)	(5.0)	3.6
<b>Total</b>	<b>(1,612.4)</b>	<b>3,409.4</b>	<b>(30.2)</b>	<b>1,689.6</b>	<b>5,039.3</b>

# Chapter 10

## Appendix E: Explanation of the change in benefits since the 2006 report

### 10.1 Overview

The 2006 report [1] reported expenditure on Supporting People services of £1.55bn at 2006 prices, and financial benefits (i.e. difference between expenditure under scenarios where Supporting People services are and are not available) of £2.77bn.

This report shows expenditure of £1.61bn at 2009 prices, and financial benefits (i.e. difference between expenditure under scenarios where Supporting People services are and are not available) of £3.41bn.

Although they both represent the research team's best understanding at two different times, the two benefit figures are not directly comparable. This is because whilst the difference represents a change in benefit from 2006 and 2009, it also represents the impact of underlying price inflation and a number of methodological effects.

The effects driving the difference between the 2006 figure and the 2009 figure are as follows:

- Changes in service provision and costs between 2006 and 2009, both for SP packages and for residential care, and modelling of additional events;
- Improvements in our estimates of package costs;
- Adjustment to the modelling approach for "other" older people; and
- Inclusion of additional client groups

These are discussed in turn in the following sections of this appendix.

## 10.2 Changes in service provision and costs between 2006 and 2009, and modelling of additional events

The 2006 report identified financial benefits of £2.77bn.

The first stage in updating the model for the current research consisted of the following tasks:

- Using the RPI to bring forward all prices to 2009 values in the model, rather than 2006;
- Updating all data to reflect the most recent sources of information, where available (discussed in section 2.4); and
- Adding the new events of being arrested for prostitution and receiving emergency dental treatment to the model (discussed in section 2.4).

Note that, in practice, the main way in which the model deals with increased costs is by reflecting the most recently available data (second bullet point above). However, where new data is not available, costs are indexed by the RPI (first bullet point above).

After these tasks had been carried out, the model showed a benefit of £3.83bn – an increase of £1.06bn on the previous figure.

This means that, taken together, changes in costs between 2006 and 2009 and changes in the pattern of service provision produced an increase in the modelled benefit of £1.06bn.

The key reasons for this are as follows:

- ***The natural tendency of inflation over time to increase benefit levels.*** As has been discussed, the modelled benefit is the difference between the costs of providing packages of support under two provision scenarios. General price inflation increases both costs, and hence also the modelled benefit. Between 2006 and 2009, estimated retail price inflation was 11.1 per cent. This factor alone would have caused an increase in modelled benefit from £2.77bn to £3.07bn.
- ***The fact that, in practice, the cost of the alternative provision scenario was subject to much greater inflation than suggested by the retail price index, and the existing scenario was subject to much lower inflation.*** The cost of the existing provision scenario rose by 6.9 per cent, while the cost of the alternative provision scenario rose by 35.1 per cent. The key driver of the fast increase in the cost of the alternative provision scenario

is the rising cost of residential care. An example of this is that the cost of privately funded residential care for older people rose by 25 per cent between 2004/5 and 2007/8 [8][15]. The key driver of the much more modest increase in the cost of the existing provision scenario was that the nominal costs of providing Supporting People services to the existing client groups (i.e. those modelled in 2006) did not increase at all; in fact they fell very slightly both in total and on a per unit basis. This in turn reflects an increase in provision of floating support, rather than accommodation based, services, rather than any real-terms change in costs.

Although the introduction of new events (discussed in section 2.4) has some effect on the overall benefits modelled, the level of benefit is negligible in comparison with the inflation factors discussed above. This is because the new events of “being arrested for prostitution” and “requiring emergency dental care” are both of relatively low frequency and cost. This is reflected in section 3, where event costs are reported on a client group by client group basis.

### 10.3 Improvements in estimates of package costs

As discussed in section 2.4 and section 6.4.1, a number of costs were initially estimated by SP lead officers and have been re-estimated by the project team. These are costs of accommodation for older people in sheltered and very sheltered (extra care) accommodation, and costs of social services and nursing for the long-term care client groups.

This re-estimation was carried out because it was recognised that some of the data from the initial consultation either contradicted nationally published information or was based on an incomplete view of the services used by a client group.

Before the re-estimation was carried out, benefit in the model was at a level of £3.83bn as reported in section 10.2 above.

In general, the aspect of incompleteness and a general tendency to underestimate costs by the SP lead officers meant that this work led to a reduction in modelled benefit for the following client groups:

- People with learning disabilities;
- People with mental health problems;
- Older people receiving floating support;
- Older people in sheltered accommodation and other older people; and
- Older people in very sheltered accommodation.



After the re-estimation work, the modelled benefit was at a level of £3.19bn – a reduction of £0.64bn.

## 10.4 Adjustment to the modelling approach for “other” older people

The adjustment in the modelling approach for “other” older people, discussed in section 7.3 produced an increase in financial benefit. Before the adjustment, the modelled level of benefit was the value of £3.19bn, shown in section 10.3 above.

The increase was in large part because the adjustment occurred after the alteration to package costs discussed in section 10.3. Following that alteration, the package costs for existing levels of support associated with older people receiving floating support were somewhat lower than those for older people in sheltered accommodation. This reflected the high cost of providing sheltered accommodation.

The adjustment to modelling the “other” group involved

- modelling them as having a similar basic package cost to clients receiving floating support, rather than a similar cost to clients in sheltered accommodation; and
- reducing the proportion of them being allocated to residential care in the alternative provision scenario.

The effects of this were as follows:

- Modelling the “other” group as being similar to those clients receiving floating support, rather than similar to those in sheltered accommodation, reduced the modelled costs of providing existing levels of support for this “other” group. This lowered these costs in relation to the costs of supporting the client group under the alternative provision scenario – and hence increased the modelled benefit.
- Reducing the proportion of the “other” group allocated to residential care reduced the level of financial benefit modelled by reducing the cost of the alternative provision scenario. The reduction, however, is smaller than the increase discussed in the preceding bullet point. So the net effect of the adjustment was an overall increase in benefit.

After the adjustment, the modelled level of benefit was £3.26bn – an increase of £0.07bn.

## 10.5 Inclusion of additional client groups

Additional client groups have been introduced as part of the current work as discussed in section 7.2. The financial and other benefits associated with these additional client groups are discussed in sections 3.2.7, 3.2.10, 3.3.1 and 3.3.8.

Before including them, the modelled level of benefit was £3.26bn, as discussed in section 10.4.

After including them, it was £3.41bn – an increase of £0.15bn.

# Chapter 11

## Appendix F: Local modelling work and commissioning

### 11.1 Local modelling work

Whilst it is not the main subject of this report, substantial work has been carried out to adapt the financial benefits model to provide a version that can be used by local authorities. That adaptation will enable local authorities to effectively demonstrate to their partners the financial benefits of providing housing-related support services to meet local needs and priorities. This will be important in the move to an un-ringfenced grant and towards distributing the funding through area-based grant allocation.

The purposes of the local modelling are:

- To enable local authorities to model and understand the financial benefits of existing Supporting People services (or housing-related support services funded by other means) in their own areas;
- To use this understanding in discussions about spending on housing-related support in a context of multiple priorities; and
- To enable local authorities to model and understand the financial benefits of proposed new investment in housing relating support.

The local model provided is similar to the national model in all but the following respects:

- The local model can easily be populated with costs and numbers of household units appropriate to the local authority using it. To support this, the local model is pre-populated with relevant SPLS data for all Authorities<sup>33</sup>; the model user simply has to select the data for their own local authority;
- The majority of the package cost data in the local model can be edited. This is so that if, for instance, the cost of residential care for older people is significantly different from the national average for a particular local authority, then this can be reflected; and

<sup>33</sup> The SPLS data originates from local authorities who supply it to CLG on a quarterly basis.

- A number of elements of the model cannot be edited. This is both so as to avoid creating an expectation that local authorities will research large amounts of information to source the data, and so as to ensure uniformity of approach across the country. These non-editable elements include percentage allocations to residential care in the alternative provision scenario, costs associated with events, and levels of impact that Supporting People services have on events. (See section 2.5 for an explanation of these elements of the model).

The approach to local modelling was discussed in detail both with the project steering group and local authorities themselves. A meeting containing representatives of 14 local authorities was used to reach agreement on the scope of the local model. Particular emphasis was placed on the discussion about which parts of the national model should be editable in the local version.

Additionally, the local modelling and its associated documentation has been piloted with local authorities so as to ensure usability. The piloting involved giving three local authorities the opportunity to try out a prototype of the model and its associated documentation. Feedback from the piloting has been incorporated into the work.

## 11.2 The commissioning context

Commissioning of housing-related support services at a local level involves a number of steps. Four of the key steps are listed here, together with detail of how the financial benefits model may be used as part of them.<sup>34</sup>

- **Governance of commissioning.** Like any business process, commissioning requires clear definition and governance, with defined accountabilities and sign-off processes. The financial benefits model identifies events which happen to client groups and the kinds of spending affected. Accordingly, it can help to identify the parties who should be involved in the commissioning process. These are likely to include many of those responsible for the spending.
- **Understanding of baseline of local supply and performance.** This requires understanding of which services are being provided and their performance. It also requires understanding of their strategic relevance and overall impact. The Supporting People benefits model provides a view of the strategic relevance and impact of services, because it identifies detailed

<sup>34</sup> We do not discuss implementation of commissioning frameworks or procurement plans, which are areas that are largely separate from financial benefits modelling.

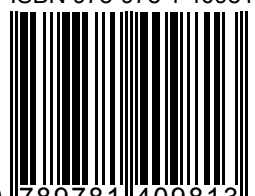
estimates of impacts on health, social services and accommodation related expenditure.

- **Understanding local needs and demand for services.** This requires knowledge of demographics and their associated trends – and also knowledge of local targets, preferences, priorities and service user aspirations. National information on best practice is also relevant. The benefits model does not directly address these points. Nonetheless, the process of using it involves identifying detail of local housing-related support service provision. This may be a useful starting point in discussions about need and demand.
- **Addressing the gaps in provision.** This includes the process of identifying how changes need to be shaped in the future. This may involve reconfiguring or decommissioning services, designing new service specifications or simply planning to continue with some existing aspects of service provision. The benefits model will help in identifying the impact of changes to services on financial benefits to stakeholder groups. The thinking it contains can also be used as a basis for developing business cases for service changes.

It should be clear from the above that the commissioning process will also rely on other data sources, in addition to the Supporting People benefits model. For example, these include local data on quality of service and data collected as part of the Supporting People outcomes framework.

ISBN: 978 1 4098 1603 4

ISBN 978-978 1 409813



9 789781 409813