



Sitra is part of Homeless Link

Technical Appendix

Strengthening the Case: the cost consequences

Mark Goldup
Sitra Associate

January 2017

Contact us

Sitra
Gateway House
8 Milverton Street
London
SE11 4AP
020 7840 4441
consultancy@sitra.org
www.sitra.org

Wendy Green
Sitra Consultancy Manager
wendyg@sitra.org
020 7840 4441

1. Introduction

This document explains in a step by step way the methodology used to produce the conclusions in the research report *Strengthening the Case; The Cost Consequences*, produced by Mark Goldup on behalf of Sitra / Homeless Link.

The research was commissioned by the National Housing Federation.

The objective of the research was to establish the cost consequences to the public purse of any shortfall in the provision of supported housing; both now and in the future.

It was decided to make 2015-16 the base year for the research, as this made most sense in relation to the availability of data, and then to focus on projecting the conclusions forwards 5 years to 2020-21. This was the longest it was felt reasonable to project forwards on the basis of current trends.

In order to meet the objective of the research it was necessary to go through the following steps:

- Estimate the need for supported housing in the base year
- Estimate the availability of supported housing lettings to meet that need, and to calculate the gap between the two
- Work out the revenue cost of meeting the gap through investment in new supported housing and other developments
- Work out the cost consequences of not meeting the gap
- Repeat the calculations for 2020-21

In this Appendix we provide a full rationale for the calculations undertaken at each step and a summary of the results that these produce.

2. Definition of Supported Housing

Supported housing is a term that covers a wide range of service interventions. It is important to be clear as to what we mean by supported housing in relation to this research.

The agreed definition that we worked to was as follows :

Essentially supported housing involves a combined package of housing and support being offered.

To break this down into more detail;

In order to count as supported housing a housing placement should meet the following criteria:

- The accommodation is let on the basis that a package of support is offered to the resident for the duration of their residence. This does not mean that continued residence in the accommodation is dependent on the person or household continuing to *engage with* the support, but this factor will be taken into account when the residency agreement is renewed in the normal course of events. Support may be formally withdrawn in some circumstances, without necessarily the individual or household being required to move, but at that point the arrangement will cease to be supported housing.

- The accommodation is designated as being for a particular needs group – i.e. a group where there is a set of characteristics or experiences that indicate a need for additional support in order to successfully maintain independent housing. This designation can take the form of a specific number of housing units, but where the actual address may depend on availability at the time.
- The support would normally include a named worker responsible for co-ordinating the support delivered to the individual. Support may need to be **available** if required on a 24 hour per day basis, but this will not always be the case. The support provided has, however, to be of a sufficient level that it constitutes regular proactive contact with the individual, and has to involve more than the provision of advice and information, or time-limited assistance to respond to very specific needs for advice or assistance.
- The package of support may be relatively short-term and intended to provide assistance to enable the individual or household to manage their lives and accommodation ultimately **without** an ongoing package of support at the end of a period of time in supported housing or at the end of any follow-on resettlement package. It may alternatively be relatively long-term, where this is considered necessary to enable the individual to manage with the maximum degree of independence on an ongoing basis.
- The accommodation is not just provided as an emergency or crisis intervention, where residence is renewed on a week by week or a night by night basis. It is intended to act as a home and to provide equivalent legal status and protection as equivalent forms of non-supported housing. It can, however, be time-limited as are many other forms of housing arrangement. Specifically however “refuges” for people experiencing domestic abuse are included as supported housing for the purposes of this modelling.
- The accommodation is not **primarily** provided for the purposes of receiving treatment, punishment or the provision of accommodation for persons who require nursing or personal care (i.e. a care home)..

One of the key decisions that had to be taken at the beginning of the research was to agree a typology of service types to use in the research and to ensure that it was possible to divide both the need for and supply of supported housing places into these service types. This was necessary as this would allow the cost of meeting the identified gap to be calculated more accurately, as it is clear that different supported housing services cost very different amounts to provide.

The agreed service types used were :

Refuge (for those experiencing domestic abuse)
 Short to Medium Stay High Support (referred to as **SSHS**)
 Short to Medium Stay Low to Medium Support (referred to as **SSLS**)
 Long Stay High Support (referred to as **LSHS**)
 Long Stay Low to Medium Support (referred to as **LSLS**).

3. Estimating the need for supported housing in the base year

There are 3 elements to this

- Listing and sizing the “at risk” Groups
- Calculating the proportion of those “at risk” Groups who would benefit i.e. the “Populations in Need”, including making an allowance for overlaps between the membership of the different “at risk” groups
- Allowing for some people to move on to other supported housing resources from that which they first enter – which we refer to as a “Stage 2 Multiplier”

3.1 Listing and Sizing the “At Risk” Groups

The need for supported housing in individual cases follows from the fact that the individual or household has a combination of housing instability and an added vulnerability which makes it impossible for them to manage at the moment in a more independent setting.

Housing instability means one of the following circumstances apply:

- The person or household is homeless
- The person or household is at risk or is threatened with homelessness
- The current living situation is no longer suitable for the person’s or household’s needs

The first part of the research was to develop a list of circumstances within these broad categories - in which a supported housing service might be needed. This list was based on that used in previous research undertaken for the NHF in 2015 and summarised in the report *Supported Housing :Understanding Need and Supply*. This was revised however by undertaking an analysis of the Supporting People Client Record Form (CRF) data from 2010-11 (*NB. this was the last year in which this system was used on a comprehensive basis throughout England to monitor all episodes of housing-related support funded through Supporting People Grant*).

The resulting proposed list of At Risk Groups was as follows:

At Risk Groups
People unable to stay in their current accommodation because of domestic violence or abuse
People released from custody with no settled accommodation to return to
People with care needs living at home with parents or family but where the arrangements are no longer sustainable or where the individual wishes to live more independently
People currently in registered care but who are now able to move into lower care settings because their needs have changed
People ready to be discharged from psychiatric inpatient care but with no settled accommodation to return to

At Risk Groups
People with Learning Disabilities in inpatient facilities and ready for discharge but without settled accommodation to return to
People ceasing to be a looked after child and moving into independent living
People discharged from NAAS (asylum seeker) accommodation with no settled accommodation to move to
People leaving substance misuse residential care home facilities
People homeless for other reasons – divided between families, under 25 years old and over 25 years old
People at risk of homelessness because of tenancy or family breakdown
People with learning disabilities living in unsettled accommodation in the community
People undertaking new episodes of <i>Early Intervention in Psychosis</i> treatment and without settled accommodation
People undertaking new episodes of Substance Misuse treatment and without settled accommodation

We constructed a series of queries on the CRF data using the following service types:

- *Supported Housing*
- *Supported Lodgings*
- *Adult Placement*
- *Women's Refuge*
- *Teenage Parent Accommodation*

These are all taken to be forms of supported housing.

The queries used the following key fields to check the numbers of people who fell into the proposed “at risk” groups:

- *Previous Accommodation immediately before starting the service*
- *Homelessness Status*
- *Primary Client Group*
- *Whether Person was in contact with Secondary Mental Health Services*
- *Whether Person was subject to Care Management procedures*

This enabled us to allocate 96% of the lettings to the proposed list of “at risk” groups. This was considered close enough to demonstrate that the list of “at risk” groups covered the vast majority of demand for supported housing services.

In order to try and minimise the overlap between the groups (which would lead to double-counting of need), a staged approach was taken which was backed up by the calculation of “overlap deflators” that were applied to the “at risk” group totals. These deflators were based on an analysis of the CRF 2010-11 data as explained below.

The staged approach was used to calculate the numbers of people experiencing domestic abuse first, and then using the CRF analysis to calculate the proportion of the people in the other “at risk” groups that were referred to *Refuges* because they had experienced domestic abuse. So, for example, if 10% of people moving from psychiatric hospital into supported housing actually moved into a Refuge in the CRF data, then a deflator of 0.9 would be applied to the population in need total to reflect that these people had already been counted in the domestic abuse total. *NB. Where no reference is included to an overlap deflator for people experiencing domestic abuse in the table below it is because the numbers of people found to fall into the 2 groups in the CRF was too insignificant to take into account.*

We then looked at the numbers of people coming out of specific settings without settled accommodation to go to – this is sometimes referred to for shorthand purposes as coming from “institutional care”, but includes people coming out of custody, leaving psychiatric or learning disability inpatient facilities, leaving registered care homes, leaving children’s homes or foster care, and leaving family carers. Based on the definition of these “leaving institutional care” groups it was concluded that they were mutually exclusive of each other. When considering people who were homeless for other reasons – we calculated overlap deflators derived from the CRF analysis that reflected the fact that their homelessness was due to their coming out of one of the “institutional care” settings elaborated above.

Finally, we looked at those groups who were not homeless as such prior to them moving into supported housing, including those who were classified as “at risk of homelessness”. Here our concern was to ensure that they had not already been counted in what we refer to below to as the “Other Homeless Multiplier” drawn from our CRF analysis. The “Other Homeless Multiplier” is how we estimate the numbers of people needing to enter supported housing because they are homeless but who have not been accepted as statutory homeless by local authorities. We generated this final overlap deflator by identifying within the CRF the proportion of each of the groups that were flagged as “homeless” as opposed to “not homeless” – this then became our estimate of the number of people who would already have been counted because they would have fed directly into the numbers used to calculate the “other homeless multiplier”.

The “at risk” groups were then sized as set out in the following table.

At Risk Group	Methodology for Sizing the Group
People unable to stay in their current accommodation because of domestic violence or abuse	<p>This is based on the number of referrals for refuge accommodation as recorded by the <i>Women’s Aid Survey</i> in 2015. This was seen as a direct measure of demand for services.</p> <p>We multiplied this by a factor to reflect the proportion of known services who had not participated in the Survey.</p> <p>We used the breakdown in reasons for rejecting referrals to discount 25% on the basis that these people were thought to have needed a different type of service or were not suitable for a refuge for some other reason.</p>

At Risk Group	Methodology for Sizing the Group
	<p>Finally we used the result of the Survey which said that only 34% of referrals were successful and that 42% of referrals were referred on to another Refuge. We then worked on the basis that on average those people who had not been able to be accommodated, simply because there was not the capacity to house or support them, would on average be referred 2.5 times before they were actually housed in a Refuge. This enabled us to estimate how many of the referrals recorded were unique individuals. The formula $(0.34 + (0.42/2.5))$ gives an answer of 0.508 – which effectively means that the number of unique individuals was 50.8% of the number of total referrals made, and we then applied a further deflator of 0.5 to the previously calculated total.</p>
<p>People released from custody with no settled accommodation to return to</p>	<p>This is based upon the number of people leaving custody in 2015-16 according to <i>MOJ Offender Management Statistics – Prison Releases table 3.1</i></p> <p>We used an assumption that 15% of these people were likely to be leaving without settled accommodation because they were NFA on entry to custody – this is drawn from the Howard League for Penal Reform Report <i>No Fixed Abode</i>, which quotes this as a MoJ estimate from 2012.</p>
<p>People with care needs living at home with parents or family but where the arrangements are no longer sustainable or where the individual wishes to live more independently.</p>	<p>We took the number of carers over 75 years of age looking after a working-age adult as identified in the Adult Social Carers Survey (2014), and increase this by a factor of 5 to reflect the estimated return rate.</p> <p>It is then assumed that 10% of these people per year may need to make alternative arrangements – this seems a reasonable assumption but there is no evidence basis for this.</p>
<p>People currently in registered care but who are now able to leave because their needs have changed</p>	<p>This data is taken directly from the number of people moving from registered care to the community as a result of a review carried out during the year. This is contained in the <i>Short and Long Term Services (SALT) Return 2015-16</i>, which is completed by all adult social care authorities.</p> <p>The result was broken down by care group (Mental Health, Learning Disabilities and Physical/Sensory Impairments) by reference to the proportion of people in these situations we had identified in the Client Record Form 2010-11 analysis.</p>
<p>People ready to be discharged from psychiatric inpatient care but with no</p>	<p>This is based on the total number of patients on CPA discharged from psychiatric inpatient care from the</p>

At Risk Group	Methodology for Sizing the Group
settled accommodation to return to*	<p><i>Mental Health Community Activity Statistics 2016.</i></p> <p>The total was then multiplied by 41.4% to reflect the current “<i>proportion of working age adults (18-69) who are receiving secondary mental health services and who are on the Care Programme Approach at the end of the month, who are not recorded as living independently (with or without support)</i>” (as of November 2015).</p>
People with Learning Disabilities in inpatient facilities and ready for discharge but without settled accommodation to return to	<p>This is taken directly from the number of people recorded in the <i>Learning Disability and Autism Monthly Statistics</i> where the number of people moving directly into supported accommodation is recorded.</p>
People ceasing to be a looked after child and moving into independent living	<p>This is taken directly from the number of people recorded as ceasing be a looked after child and “moving into independent living” in <i>Table D1</i> of the DoE <i>Looked After Children Statistics</i> for 2015-16.</p>
People discharged from NAAS (asylum seeker) accommodation with no settled accommodation to move to	<p>These figures are based upon the number of people receiving a “positive” decision to their initial asylum claim as recorded in the Home Offices’s <i>Quarterly Immigration Statistics table as_02_q.2016</i></p> <p>We multiplied this by the percentage of people who received support through their asylum claim in the form of NAAS accommodation in 2015-16– which was just over 90%.</p> <p><i>NB we take the initial asylum decision as the basis for setting the at risk total, even though many more people are subsequently successful at appeal, because at the point that they have to leave NAAS accommodation, it is only those people who have been given leave to remain who will be able to apply for supported housing – the others will be in limbo of having no recourse to public funds while their appeal is being mounted.</i></p>
People leaving substance misuse residential care home facilities	<p>The number here was based on the number of people receiving a registered care package as part of receiving substance misuse treatment as recorded in <i>The Adult Drug Treatment Monitoring System Report (DTMS) 2015-16</i> records.</p> <p>This number was multiplied by 18% as this is the average number of people starting new treatment journeys in the year who have a housing problem (“Urgent” and “Other”) as recorded in the DTMS in 2015-16.</p>

At Risk Group	Methodology for Sizing the Group
<p>People homeless for other reasons – divided between families, single people under 25 years old and single people over 25 years old</p>	<p>This is based on the numbers of households accepted as being statutorily homeless and where local authorities owe a duty to rehouse – as recorded in the <i>Local Authority Homelessness Statistics. 2015-16</i></p> <p>We then split this total into 3.</p> <p>The number of households that were treated as homeless families was taken to be the number that were accepted as statutorily homeless on the grounds of there being dependent children in the household.</p> <p>Having deducted the number of households whose homelessness status was due to “old age” we then divided the balance between over and under 25 year old singles by applying the proportions calculated from an analysis by age of those categorised as homeless in the CRF from 2010-11 (this was also very similar to the age-group proportions estimated in the Cambridge Centre for Housing & Planning Research report <i>Estimating the scale of youth homelessness in the UK (2015)</i>)</p> <p>We then calculated a multiplier for each category to apply to the statutory homeless totals derived. This was intended to reflect the fact that the majority of people presenting as homeless had not been accepted as statutorily homeless. For Homeless Families and Singles over 25, this was based on an analysis of those who were recorded in the CRF 2010-11 as homeless and the ratio between those who were categorised as “statutory homeless” and those who were not (ignoring the “Don’t Knows”).</p> <p>For people under 25 the numbers were based on the estimates of hidden homelessness among the under 25 year old population as revealed in <i>Estimating the scale of youth homelessness in the UK (2015)</i>. – in particular the numbers of young people who they calculated had been sleeping rough or sofa surfing for 6 months or more.</p> <p>The multipliers were calculated as: Homeless Families : 1.5 Under 25 : 7.8 Over 25 : 3.7</p> <p>We then also created 3 separate deflators (for homeless families, homeless under 25 year olds and homeless over 25 year olds) to account for the</p>

At Risk Group	Methodology for Sizing the Group
	<p>overlap between these large generic homeless groups and the other “at risk” groups already included in the analysis. This meant calculating the number of people who were classified as homeless in the CRF and who were flagged as experiencing domestic abuse or having left the various forms of “institutional care”.</p> <p>The resulting deflators were:</p> <p>Homeless Families : 0.9 Under 25’s : 0.95 Over 25s : 0.74</p> <p>The “at risk” total for each group was therefore calculated as :</p> <p><i>the number of statutory homeless households x the “other homeless multiplier” x “the overlap deflator”</i></p>
<p>People at risk of homelessness because of tenancy or family breakdown</p>	<p>Here we looked at the numbers of people for whom local authorities had taken prevention or relief action which involved referral to supported accommodation in 2015-16. This was drawn from the <i>Homelessness Prevention and Relief Tables 2015-16</i>.</p> <p>An overlap deflator was applied to these figures to reflect the fact that some people will have been at risk of homelessness because of domestic abuse, and some would have been at risk of homelessness because they were coming out of one of the forms of institutional care already measured. Finally, some of these people would effectively have already been counted in the “other homeless” multipliers already used to generate the homeless “at risk” groups totals. This last point is as a consequence of the fact that someone could be classified as “homeless” on the basis of a judgement that they would have been if the supported accommodation had not been made available.</p> <p>The overlap deflator was generated through carrying out an analysis on the <i>CRF 2010-11</i> data. This involved identifying the number of people flagged as coming from mainstream rented, owner occupied or family accommodation who were also categorised as experiencing domestic abuse, or were categorised as homeless at the point of entry to the service.</p> <p>The overlap deflator that resulted from this was 0.17</p>
<p>People with learning disabilities living in unsettled accommodation</p>	<p>This data was taken directly from the numbers of people with learning disabilities reported through the</p>

At Risk Group	Methodology for Sizing the Group
	SALT returns as living in categories of “unsettled accommodation” that was described as short-term or temporary.
People undertaking new episodes of Early Intervention in Psychosis treatment and without settled accommodation	<p>These figures are based on the numbers of <i>new cases of psychosis served by Early Intervention teams</i> in 2015-16 drawn from the <i>Mental Health Activity Statistics</i>.</p> <p>The total was then multiplied by 41.4% to reflect the current “<i>proportion of working age adults (18-69) who are receiving secondary mental health services and who are on the Care Programme Approach at the end of the month, who are not recorded as living independently (with or without support)</i>” (as of November 2015).</p> <p>An overlap deflator to reflect the numbers of people experiencing domestic abuse, and to reflect the numbers of people who might already have been counted in the “other homeless multiplier”, was calculated from the <i>CRF 2010-11</i> data. This involved identifying the proportion of people flagged as previously living in mainstream rented accommodation and who were in contact with secondary mental health services who either moved into a refuge or were categorised as homeless.</p> <p>This overlap deflator was 0.39.</p>
People undertaking new episodes of Substance Misuse treatment and without settled accommodation	<p>This was based on the number of people starting a new episode of substance misuse treatment as recorded in <i>The Adult Drug Treatment Monitoring System Report 2015-16</i> records.</p> <p>We then multiplied this number by 11% as this is the average number of people starting new treatment journeys in the year who have a housing problem in 2015-16. This ignores those who were classified as having an “urgent housing problem” as this was taken to mean that they were probably homeless and therefore it was felt that they would already have been counted in the other “at risk” groups. On this basis it was not considered necessary to calculate a separate overlap deflator.</p>

As a result the size of the at risk groups in 2015-16 was calculated as follows :

At Risk Group	Estimated Size of Group in 2015-16
People unable to stay in their current	16,409

At Risk Group	Estimated Size of Group in 2015-16
accommodation because of domestic violence or abuse	
People released from custody with no settled accommodation to return to	11,181
People with care needs living at home with parents or family but where the arrangements are no longer sustainable or where the individual wishes to live more independently.	611
People currently in registered care but who are now able to leave because their needs have changed	1,740
People ready to be discharged from psychiatric inpatient care but with no settled accommodation to return to	26,103
People with Learning Disabilities in inpatient facilities and ready for discharge but without settled accommodation to return to	425
People ceasing to be a looked after child and moving into independent living	3,380
People discharged from NAAS (asylum seeker) accommodation with no settled accommodation to move to	11,204
People leaving substance misuse residential care home facilities	1,355
People homeless for other reasons – divided between families, single people under 25 years old and single people over 25 years old	Families – 53,441 u 25 year olds – 29,924 o 25 year olds – 36,393
People at risk of homelessness because of tenancy or family breakdown	3,323
People with learning disabilities living in unsettled accommodation	1,310
People undertaking new episodes of Early Intervention in Psychosis treatment and without settled accommodation	4,055
People undertaking new episodes of Substance Misuse treatment and without settled accommodation	14,361

3.2 Estimating the population in need for each “at risk” group

People in the situations listed above are “at risk” of needing supported housing, but only a proportion of such people truly need supported housing because of their added vulnerabilities. This sub-group of the “at risk” population is referred to as the “*Population in Need*”.

In some cases the way we have calculated the “at risk” group total makes it unnecessary to do any further calculations to establish the “population in need”, because we have based the numbers “at risk” directly on the numbers of people moving into supported housing in the year. For most groups however we need to generate assumptions on the proportion of those “at risk” groups that would benefit from a supported housing intervention as opposed to some other form of intervention or having no need for assistance.

For those who need supported housing, we needed to estimate the proportion of the “population in need” requiring each different service type of supported housing. This is necessary in order to use the figures in the second part of the research where we will estimate the cost consequences of the gap in provision – we will refer to this as the “type of need”.

In some circumstances the “population in need” was broken into different client groups / care groups to allow for the fact that the assumptions of “type of need” will be different based on the person’s main presenting need.

The main approach to calculating the “populations in need” was as follows:

Firstly, we assumed a percentage of people who can manage to resolve their problems with only advice and information. This had to be based on what felt reasonable and prudent rather than having any evidence base.

Secondly, an analysis of the *SP Client Record returns for 2010-11 (CRF)* was carried out to establish the relative balance between supported housing and other forms of service delivery for each of the defined “at risk” groups. The cohort specified in each separate query was defined by using the client group, the type of accommodation occupied immediately before receiving the service and the statutory frameworks that the client was subject to. This was in order to ensure that the cohort selected was as close to the definition of the “at risk” group as possible. As a result of these analyses the remainder, after deducting the proportion managing with only advice and information, was divided in line with the calculated proportions receiving supported housing or other types of intervention.

In terms of the need to sub-divide the proportion in need of supported housing into a need for the different service types, we used the Continuous Recording of Lettings (CORE) returns that are made by Registered Providers, of which the most recent that has been published is the 2014-15 data set. Unfortunately, we were not able to carry out the analysis of that we had hoped to do, as too much data was held back from release under the *End User Licence* for reasons of personal sensitivity. This meant it was not possible to establish the balance of service type usage for proxies of the different “at risk groups” using the level of support, the client group and the reason for leaving last accommodation. Instead we had to rely on an informed estimate of the proportions of the different service types required, taking into account the global analysis of lettings by service type that we were able to do.

We then sent both sets of assumptions – the proportion of the “at risk” group needing supported housing and the proportions of these people who needed each of the different service types – to an Expert Panel recruited for this purpose (details in the

acknowledgements at the end of the Main Report). The proportions were then adjusted on the basis of their responses.

In relation to people experiencing domestic abuse the total already calculated was taken as the same as the number needing Refuge accommodation.

At Risk Group	Proportion needing supported housing	SSHS	SSLS	LSHS	LSLS
People released from custody with no settled accommodation to return to	58%	20%	80%	0%	0%
People with care needs living at home with parents or family but where the arrangements are no longer sustainable or where the individual wishes to live more independently.	MH – 38% LD – 55% PD – 38%	MH-10% LD-0% PD-10%	MH-10% LD - 0% PD-10%	MH-40% LD-50% PD-40%	MH-40% LD-50% PD-40%
People currently in registered care but who are now able to leave because their needs have changed	MH – 61% LD – 47% PD – 13%	MH-10% LD-10% PD-10%	MH-10% LD-10% PD-10%	MH-40% LD-40% PD-40%	MH-40% LD-40% PD-40%
People ready to be discharged from psychiatric inpatient care but with no settled accommodation to return to	58%	10%	10%	40%	40%
People with Learning Disabilities in inpatient facilities and ready for discharge but without settled accommodation to return to	100%	0%	0%	90%	10%
People ceasing to be a looked after child and moving into independent living	73%	25%	60%	5%	10%
People discharged from NAAS (asylum seeker) accommodation with no settled accommodation to move to	45%	10%	90%	0%	0%
People leaving substance misuse residential care home facilities	80%	40%	55%	0%	5%
People homeless for other reasons – divided between families, single people under 25 years old and single people over 25 years old	HF-18% u25-60% o25-40%	HF-5% u25-20% o25-15%	HF-95% u25-70% o25-80%	HF-0% u25-5% o25-0%	HF-0% u25-5% o25-5%

At Risk Group	Proportion needing supported housing	SSHS	SSLS	LSHS	LSLS
People at risk of homelessness because of tenancy or family breakdown	100%	10%	90%	0%	0%
People with learning disabilities living in unsettled accommodation	60%	0%	0%	50%	50%
People undertaking new episodes of Early Intervention in Psychosis treatment and without settled accommodation	15%	15%	80%	0%	5%
People undertaking new episodes of Substance Misuse treatment and without settled accommodation	50%	40%	60%	0%	0%

The total "Population in Need" for each of these groups was therefore calculated as follows

At Risk Group	Estimated Size of Group in 2015-16
People unable to stay in their current accommodation because of domestic violence or abuse*	16,409
People released from custody with no settled accommodation to return to	6,485
People with care needs living at home with parents or family but where the arrangements are no longer sustainable or where the individual wishes to live more independently.	275
People currently in registered care but who are now able to leave because their needs have changed	962
People ready to be discharged from psychiatric inpatient care but with no settled accommodation to return to*	15,140
People with Learning Disabilities in inpatient facilities and ready for discharge but without settled accommodation to return to	425
People ceasing to be a looked after child	2,467

At Risk Group	Estimated Size of Group in 2015-16
and moving into independent living	
People discharged from NAAS (asylum seeker) accommodation with no settled accommodation to move to	5,042
People leaving substance misuse residential care home facilities	1,084
People homeless for other reasons – divided between families, single people under 25 years old and single people over 25 years old	Families – 9,619 u 25 year olds – 17,954 o 25 year olds – 14,557
People at risk of homelessness because of tenancy or family breakdown	3,323
People with learning disabilities living in unsettled accommodation	786
People undertaking new episodes of Early Intervention in Psychosis treatment and without settled accommodation	608
People undertaking new episodes of Substance Misuse treatment and without settled accommodation	7,181

3.3 Estimating the Stage 2 Supported Housing multiplier

Some people need more than one supported housing placement and will move on from one service to another as part of their support pathway. We therefore needed to generate what we refer to as a *Stage 2 Supported Housing Multiplier* to reflect this additional demand. This was applied to the number of places needed for each Service Type and was applied to the global totals generated through the previous set of “Population in Need” calculations. It was not applied therefore to the individual “Populations in Need” for each “at risk” group.

The Stage 2 multiplier was calculated on the basis of an analysis of the *CORE data 2014-15*, a query was run that identified the numbers within each service type where the person or household had come from some form of supported housing as their previous last known accommodation. This was also broken down by whether they were homeless or not at the point that they entered the new service. If they were categorised as homeless this was taken to indicate that they may have moved from one supported housing scheme to another because the first placement had actually failed and they had been asked to leave.

The results of this analysis were as follows:

Service Type	Not Homeless	Homeless
SSHS	441	1069
SSLS	3879	4197
LSHS	270	37
LSLS	450	119
Total	5040	5422

In order to account for the fact that we should not really count the moves as a result of failed placements we used the numbers of those “Not Homeless” as the basis for calculating the multiplier for Short Stay services but the total across both categories for Long Stay services. This resulted in the following multipliers being applied

For **SSHS** services a multiplier of 1.04
 For **SSLS / Refuge** services a multiplier of 1.09
 For **LSHS** services a multiplier of 1.27
 for **LSLS** services a multiplier of 1.28

The total need for each Service Type category was then calculated as follows:

Service Type	Total Need
Refuge	17,890
SSHS	14,589
SSLS	59,489
LSHS	10,660
LSLS	11,507
Total	114,135

4. Estimating the number of available supported housing places in the base year

The number of available supported housing places was calculated using the following 5 steps.

Step 1 An analysis of Supported Housing CORE data from 2014/15 to break down the lettings by Service Type, using scheme type, intended length of stay and level of support provided. As previously explained we ignored services classified as “Very Short Stay”. This gives the total number of supported housing lettings by Registered Providers in that year.

Step 2 We calculated the proportion of lettings in the CRF from 2010-11 that were to Women’s Refuges and then transposed that percentage across to the results of the CORE analysis – deducting this total from the previously calculated SSLS figure (this was necessary as it was not possible to separately identify Refuge lettings in CORE itself).

Step 3 In order to estimate the **total** number of lettings (not just those by Registered Providers), we calculated and compared the total numbers of lettings recorded in the CRF and CORE for the 4 years between 2007 and 2011 (this ignored Supported Lodgings and Adult Placement services – see Step 5). This was to generate a multiplier to apply to the number of CORE lettings calculated at Step 1. The analysis was broken down between the numbers of people classified as “Homeless” and “Not Homeless” so that 2 different

multipliers for people in each homelessness category could be calculated. the resulting multipliers were very different – 1.15 for people who were not homeless and 1.75 for those who were homeless at the point of entering a supported housing service. Instinctively this feels right because it would be anticipated that a higher proportion of provision for non-homeless groups would be made by Registered Providers as opposed to homelessness provision where the proportion provided by voluntary organisations would be expected to be higher. These two multipliers were then applied to the Service Type totals on the basis of the relative proportion of each Service Type that were or were not classified as homeless – so if 60% of the number of lettings in particular service type were classified as homeless and 40% were not – then 60% of the total would be multiplied by 1.75 and 40% would be multiplied by 1.15.

This produced the following overall multipliers to apply to the CORE figures by Service Type:

Service Type	Multiplier to apply to CORE Lettings Totals
SSHS	1.63
SSLS / Refuge	1.57
LSHS	1.21
LSLS	1.35

Step 4. The total number of lettings had to be updated to 2015-16. We calculated the average change over the 4 years leading up to 2014-15 in CORE and this demonstrated an average reduction of 2.2% per year. We therefore assumed that the number of available lettings in 2015-16 was 2.2% less than in 2014-15.

Step 5. We then added in an allowance for Supported Lodgings lets (classified as SSLS) and Adult Placement lets (classified as LSHS). IN both cases these were assumed to be the same number as recorded in the 2010-11 CRF.

As a result of this process the number of available lettings and the consequent gap in provision was calculated as follows:

Service Type	Need for Supported Housing	Number of Available Places	Gap
Refuge	17,890	14,616	3,274
SSHS	14,589	18,296	-3,707
SSLS	59,489	57,769	1,720
LSHS	10,660	3,350	7,310
LSLS	11,507	3,412	8,095
Total	114,135	97,443	16,692

5. Overview of Cost Calculations

The intention was to compare the costs of meeting the projected gap in supported housing with the consequential costs of not doing so. This is not intended as a full cost-benefit exercise, but takes a pragmatic, prudent and transparent approach to produce reasonable costs for each alternative course of action.

The costs of meeting the gap reflect the costs of the revenue investment required to fund a range of interventions that could ensure that the gap is met.

The consequential costs of not meeting the gap include the costs of alternative provision that might be made and the additional “event costs” within a limited number of spheres, in particular greater contact with health services, criminal justice services etc.

The model uses a timeframe of a year i.e. it compares the annual cost of a variety of interventions to meet the projected gap with the likely annual costs of not undertaking this additional investment in terms of the alternative provision and additional event costs.

The costs are all expressed at base year prices.

6. Estimating the Costs of Meeting the Gap in Supported Housing Provision

The model does not assume that the *only* way to meet the gap is by providing additional supported housing. It allows for a balance of actions to meet the gap.

These are:

1. By investing in prevention measures such as mediation services or tenancy sustainment that can reduce the numbers of people ever appearing in the “at risk” groups. This reduces the need for supported housing.
2. By facilitating better access to move-on accommodation from supported housing through schemes such as social lettings agencies or other ways of increasing access to rented accommodation. This has the effect of increasing the number of lettings from the existing supported housing stock.
3. By increasing the stock of supported housing units.

The above are considered to be a realistic if simplified model of the real strategic choices facing commissioning agencies, and illustrates how need could be met by a range of interventions at different stages in the relevant pathways.

The explanation as to how each of these measures contributes to the total cost of meeting the gap in supported housing provision is set out below.

6.1 Estimating the cost of implementing prevention measures

We have entered into the modelling an assumed percentage of the gap that can effectively be met by investing in homelessness prevention methods by Service Type. We have

deliberately been conservative in this and have assumed that this will only affect short-stay services and not long stay or domestic abuse services.

We have assumed that only 5% of the gap could be met by reducing demand in this way for Short Stay High Support services and only 10% of the gap could be met by reducing demand in this way for Short Stay Low to Medium Support services.

Actions to improve homelessness prevention rates obviously have cost implications, we have worked these out in the following way.

We used the average costs of homelessness prevention activities calculated in the recently published research – “*Better than Cure – testing the case for Enhanced Prevention of Single Homelessness in England*” by Nicholas Pleace and Dennis P Culhane. This used interviews with people who were currently homeless (in the broadest sense of the term) to identify the interventions that they thought would have prevented them becoming homeless in the first place. Assumptions are published on the unit costs for these different interventions and the frequency of usage that would be required for them to be effective. This generates an estimated average cost per person of £2,239 in order to prevent that person appearing in the “at risk” groups.

This is assumed to be a one-off cost.

This average cost per person (as explained above) is applied to the number by which it is estimated the demand is reduced for each of the short stay service types.

6.2 Estimating the cost of improved access to Move-On accommodation

There are clearly a number of ways in which improved access to move on accommodation could be generated, but for the purposes of this research it is assumed that this can most effectively be done by investing in a network of social lettings agencies. This involves putting together a landlord offer that encourages the landlord to make accommodation available at a below-market or Local Housing Allowance (LHA) rate.

We calculate the extent to which these initiatives can reduce the gap in supported housing by increasing the number of available lettings by setting an assumed average length of stay for each service type and then estimating what level of reduction might be achievable.

The assumptions that we have currently used are as follows:

	Average Length of Stay - Current (in Months)	Average Length of Stay - Target (in Months)
Refuge	4	3.5
SSHS	9.5	9
SSLS	8.5	8
LSHS	84	84
LSLS	60	60

To estimate the consequences of this in terms of the revised number of lettings that this would make available we used the following staged calculations:

Step 1: Calculate Estimated Number of Units

*Number of Units = Current Number of Lettings * Current Assumed Average Length of Stay*

Step 2: Calculate Revised Number of Lettings

Revised Number of Lettings = Number of Units / New Assumed Average Length of Stay

Step 3: Calculate the improved performance in terms of number of lettings

(Revised Number of Lettings – Current Number of Lettings) / Current Number of Lettings

We then calculate the monetary cost of these additional lettings generated by using the service model advocated in the Crisis Report *Social Lettings Agencies: How to plan, develop, launch and sustain an income generating SLA* (2015). This involves using a portfolio of market-rented accommodation to cross-subsidise the operation of the agency. It is therefore intended to all but cover its costs. In the sample budget supplied in the Report it estimates that in order to deliver 66 sub-market rented units over 2 years the running costs will total £155,000, with fees for the service generating all but £20,000 of that. Being a little more conservative and assuming that any agency would want to generate a surplus in order to build up reserves a more reasonable assumption might instead be £40,000 of grant income required. This generates a per person cost of £606.

This is assumed to be a one-off cost.

6.3. Estimating the cost of additional supported housing packages

We worked out the costs of providing the additional supported housing required after calculating a *revised gap* taking into account the improvement in the prevention of homelessness and the improvement on move-on performance.

The starting point for these calculations are the revenue unit costs for each service type.

There are 2 elements to this package – support costs and housing costs.

6.3.1 Support Costs

The average support costs have been generated initially from a complete data set on support costs for one particular part of the UK that the researcher had access to. This is somewhere where Supporting People is still operational. Conclusions were drawn on the basis of 226 separate supported housing services. These were classified according to the service typology used in this research – using information on client group and staff to resident ratio. It was assumed that a primary client group of mental health, learning disabilities, or physical and sensory disabilities generally meant that the service was more likely to be long-term, and any other primary client group was more likely to be short-term. This was a sweeping assumption but as can be seen it had little impact on the end result in relation to High Support services at least. 10 hours per person per week was assumed as the threshold dividing high support services from low to medium support services.

Three separate measures were then taken of the groups created. These were:

- Median Scheme Cost Per Unit
- Mean Scheme Cost Per Unit

- Mean Unit Cost

And a mean of these 3 figures was then calculated.

Based on this analysis the following benchmarks were established.

Type of Service	Benchmark Cost
Refuge	£20,653
High Support*	£16,063
Low to Medium Support (S Term)	£5,609
Low to Medium Support (L Term)	£7,649

**No significant difference emerged in the costs for high support services across the length of stay distinction so a single benchmark figure was calculated (and this feels entirely logical).*

These figures were 2013/14 prices so have been uprated by RPI to bring them in line with the 2015/16 base year used elsewhere in the calculations

We did try to check these cost benchmarks with a panel of 7 leading supported housing providers and adjust the benchmarks on the basis of their response, but time did not allow us to complete this work.

6.3.2 Housing Costs

It is known that the majority of housing costs in supported housing are met by Housing Benefit and therefore the public purse. The recent report, from the *Supported Accommodation Review* (published in 2016), estimated that 97% of working-age residents of supported housing were dependent on Housing Benefit in order to meet their rental costs.

Rents and service charges are generally, at the moment, significantly higher in supported housing than in general needs housing. There are a number of legitimate reasons for this – among the most significant being that more rapid turnover increases significantly the housing management and property maintenance costs involved. The level of housing services provided is also inevitably much higher as supported housing generally comes furnished and equipped.

The main distinction quite logically is between short to medium stay accommodation and long stay accommodation i.e. regardless of the level of support. Based on the results of the *Supported Accommodation Review* which captures the average rent by client group (for Private Registered Providers only) and based on an assumption that care groups need long-stay accommodation and other groups only short-stay accommodation, the average was calculated as follows:

Long Stay	£164.09 per week
Short Stay	£208.44 per week

This excludes accommodation for people escaping domestic violence which comes in at £278 per week.

These costs should I believe be included in the supported housing package costs. However this should not be the case where the cost of supported housing is being compared directly to the cost of someone living in unsupported accommodation – where it should be the **additional** housing costs that should be fed into the supported housing package costs. If it is

assumed that 30% of people who are not able to receive a supported housing service will instead end up in unsupported accommodation then for 30% of the identified gap that is to be met by additional supported housing the supported housing package cost should be seen as *average support costs plus average **additional** housing costs*. For the other 70% it should be *average support costs plus average **total** housing costs*

The only way to calculate **additional** housing costs is to compare the average figures already quoted for each service type to the average Local Housing Allowance (LHA) figure. We do not have data from the *Supported Housing Review* on the regional distribution of supported housing units, nor can we relate the average rent figures quoted to property size. We can however make an estimate of what proportion of the current available lettings total is for different property sizes (based on the analysis of CORE data), and compare these to the average LHA figure for shared and self-contained units (assuming that the self-contained will be a combination of bedsit and one bed flats generally).

The proportion of supported housing lettings in 2014-15 CORE divided by service type and property type was as follows:

Service Type	Shared Proportion	Self Contained Proportion
SSHS	59%	41%
SSLs	59%	41%
LSHS	38%	62%
LSLS	30%	70%

The average LHA rate for rooms in shared houses was £67.35 in 2015-16

The average LHA rate for one-bed flats was £125.47 in 2015-16

This could then be applied as follows in the following example:

As 70% of Long Term Low Support services were in fact one bed flats and the remainder rooms in shared houses then the additional housing costs would be:

$$((164.09-125.47)*0.7)+((164.09-67.35)*0.7)$$

((Average Rent for Long Stay Supported Housing – Average Rent for one bed flats) The proportion of LSLS lettings that are one bed flats) + ((Average Rent for Long Stay Supported Housing – Average Rent for rooms in shared houses)* the proportion of LSLS lettings that are rooms in shared houses)*

.6.3.3 Length of Package

The housing and support costs above are calculated on an annual basis. However it is assumed that the package for short-stay services would normally be of less than 12 months duration. Figures contained in the *Supported Accommodation Review* would suggest an average stay of 8.6 months currently. This is based on the Provider Survey undertaken as part of the Review evidence collection. As to whether this reflects the average length of time **needed** is open to question. As a conservative assumption we assume that the average length of a supported housing package is 4 months for Refuge provision, 9 months for Short Stay High Support and 8 months for Short Stay Low Support (i.e. before the revised target has been set as referred to in Section 6.2)

It is assumed for the purposes of the model that long-stay packages will be for the full 12 months.

Finally, it is assumed that if some service types are seemingly in surplus after the calculations are done on reducing need through prevention, and increasing lettings through improved move-on, then allowance is made for calculating the cost of new units based on the additional cost. In particular if there is a paper surplus of units in one of the high support categories then it is assumed that units can be repurposed as short stay or long stay or vice versa and the cost is worked out as a net cost between these two service types.

7. Calculating the Cost Consequences of the Gap In Provision

There are 5 potential cost consequences modelled

- The cost of continuing to stay in hospital
- The cost of staying in or entering residential care
- The additional event costs of becoming homeless
- The additional event costs of living in accommodation without the necessary support
- The additional cost of being unable to move from one type of supported housing to another.

The first step in costing this is to come to a view as to what will happen to people if a supported housing place is not available when needed. This is assumed to be one of 4 possibilities as set out below:

If Supported Housing is not available
The person is likely to end up or stay homeless *
The person is likely to end up or have to stay in some form of institutional or enhanced care – either registered or in-patient care or equivalent
The person is likely to find some accommodation without the support that they need and could easily lose it again
The person is likely to find accommodation anyway and should manage OK

*Homeless includes living in insecure temporary accommodation or direct access provision.

Proposals were made and consulted upon with the Expert Panel. The resulting proportions used in the modelling were as follows (NB. there is no research evidence base for these percentages, but they are based on experienced and informed judgements):

At Risk Group	% who will end up homeless	% who will end up in enhanced care	% who will end up in accommodation without support	% who will be OK
People unable to stay in their current accommodation because of domestic violence or abuse	20%	0%	60%	20%
People released from custody with no settled accommodation to return to	50%	0%	35%	15%
People with care needs living at home with parents or family but where the arrangements are no longer sustainable or where the individual wishes to live more independently.	MH-10% LD-0% PD-0%	MH-0% LD - 80% PD-70%	MH-80% LD-20% PD-30%	MH-10% LD-0% PD-0%
People currently in registered care but who are now able to leave because their needs have changed	0%	100%	0%	0%
People ready to be discharged from psychiatric inpatient care but with no settled accommodation to return to	10%	0%	80%	10%
People with Learning Disabilities in inpatient facilities and ready for discharge but without settled accommodation to return to	0%	100%	0%	0%
People ceasing to be a looked after child and moving into independent living	10%	20%	60%	10%
People discharged from NAAS (asylum seeker) accommodation with no settled accommodation to move to	90%	0%	5%	5%
People leaving substance misuse residential care home facilities	10%	0%	80%	10%
People homeless for other reasons – divided between families, single people under 25 years old and single people over 25 years old	HF-40% u25-40% o25-50%	HF-0% u25-10% o25-0%	HF-45% u25-35% o25-35%	HF-15% u25-15% o25-15%

At Risk Group	% who will end up homeless	% who will end up in enhanced care	% who will end up in accommodation without support	% who will be OK
People at risk of homelessness because of tenancy or family breakdown	50%	0%	35%	15%
People with learning disabilities living in unsettled accommodation	0%	80%	20%	0%
People undertaking new episodes of Early Intervention in Psychosis treatment and without settled accommodation	25%	25%	35%	15%
People undertaking new episodes of Substance Misuse treatment and without settled accommodation	60%	0%	30%	10%

7.1 Time Frame Used

Before explaining how the cost consequences will be calculated we set out below the logic as to why it is annual costs that we are looking to calculate even though any particular individual will experience these additional costs for a range of length of time.

This can best be illustrated by considering the following case of people ready to leave hospital but where there is no settled accommodation for them to return to and supported housing is what they need. Let us assume that in a year 120 people are in this position but there are only 60 places falling available during the year. Let us further assume that both need and availability occur equally during the year – such that 10 new people present themselves in need each month and 5 places became available each month.

What happens is that in the first month 5 people can move in straight away and therefore have a wait of 0 months while 5 can move in next month and therefor have a wait of 1 month. In the following month the 5 available places are already taken up by the previous month's referrals – 5 of them will have to wait 1 month and 5 will have to wait 2 months. The 10 referrals in the next month will be divided between 5 people who have to wait 2 months and 5 people who have to wait 3 months before getting a place. This pattern is repeated through the year, such that of the 120 people in the end, 5 end up waiting 0 months and the 10 end up waiting 1 month, 10 end up waiting 2 months, 10 end up waiting 3 months until the last 5 referred who end up waiting 12 months. In total if you multiply the numbers of people waiting by the number of months that they are waiting you end up with 720 additional months of hospital stay beyond what was necessary. This is the equivalent of 60 additional months per month and this is the same as saying that there are on average 60 more people staying in hospital every month through the year. Hence the identified gap of 60 places has to be represented as *60 x the full annual cost*.

7.2 Calculating the cost consequences of Enhanced Care

The Personal Social Services Research Unit (PSSRU) *Unit Costs of Health and Social Care 2016* have been used to estimate all enhanced care costs

Stays in Hospital

The cost of psychiatric inpatient care is allowed for at an average of £373 per day. We offset that by an estimate of £75 per day as the cost of community alternatives to hospital if the person were discharged

The cost of a learning disability inpatient unit is assumed to be £3,430 per week, We offset that by an estimate of £1,211 per week as the cost of community alternatives to hospital.

Stays in Registered Care

The cost of voluntary sector registered care provision for the following care groups has been used

People with mental ill-health	£ 712 per week
People with learning disabilities	£1,357 per week
People with physical disabilities	£ 877 per week

7.3 Calculating the additional Event Costs of Homelessness

These are based on the same study already quoted - *“Better than Cure – testing the case for Enhanced Prevention of Single Homelessness in England”* by Nicholas Pleace and Dennis P Culhane. This involved the calculation of the additional costs of single homelessness based on interviews with a group of single homeless people, and which tracked their service usage and rates of contact with the criminal justice system.

This research led to the following estimated average annual costs of homelessness per person:

Drug/alcohol services	£1,320
Mental health	£2,099
NHS	£4,928
Criminal justice	£11,991

This research also produced a total of £19,710 per year as the average annual cost of the use of health and criminal justice services.

The problem from the point of view of our current exercise is that the study group included as homeless, people living in “hostels, supported or transitional housing” on the basis that this accommodation is only temporary in nature and can be part of a cycle of homelessness where people move continually between the streets, shelter, hostels etc.

For this reason we ignored the element of the “costs of homelessness” which related to homelessness services because this could be said to have included the costs of supported housing itself, and focussed instead on the additional Event Costs of the interactions with other health and criminal justice systems.

We think it is reasonable to work on the premise that the additional Event Costs of people living in supported housing are lower than those who are literally homeless, even if the additional Event Costs of people living in supported housing are in turn greater than those

whose initial homelessness had been prevented. What we needed to ascertain therefore was a way of using this data to estimate the Event Costs of being homeless (excluding those who were living in hostel/supported housing) and then compare that to the Event Costs of people with similar characteristics who were not homeless at all

To do this we used the best available research of the relationship between those in supported housing and the general homeless population, which unfortunately uses American rather than British data, but we felt this was a reasonable proxy in terms of assessing the scale of the impact of supported housing rather than the specific sums of money involved.

The research that I refer to is *Public Service Reductions Associated with the Placement of Homeless Persons with Severe Mental Illness in Supportive Housing* by Denis P Culhane, Stephen Metraux and Trevor Hadley from the University of Pennsylvania in 2002. The quote from the Abstract below indicates the relevance of this study.

“This article assesses the impact of public investment in supportive housing for homeless persons with severe mental disabilities. Data on 4,769 people placed in such housing in New York City between 1989 and 1997 were merged with data on the utilization of public shelters, public and private hospitals and correctional facilities. A series of matched controls who were homeless but not placed in housing were similarly tracked.”

The research identified the number of days usage of a range of service interventions per person in the study cohort who had received the supported housing service and similarly for the matched control group, who were homeless. It also identified the then per diem cost. This allowed us to compare the total Event Costs accruing to the 2 groups and to calculate a ratio between the 2.

The results are summarised below:

Intervention	Per Person Cost for those in supported housing	Per Person Cost for control group
Shelter Days	\$1,870	\$8,330
Mental Health State Hospital days	\$25,783	\$57,421
Public Health Hospital days (non- Medicaid)	\$5,662	\$11,778
Inpatient days (Medicaid)	\$19,447	\$27,528
Outpatient days	\$14,876	\$7,375
Veterans Health Administration Hospital days	\$12,142	\$19,520
New York State Prison days	\$237	\$909
New York City Prison days	\$851	\$1,484
TOTAL	\$80,868	\$134,345

This allows you to calculate a ratio of 1.66 i.e. the Control Group costs 1.66 times as much as the group in the equivalent of supported housing.

Applying this ratio to the figures from the *Better than Cure* research can serve as a proxy to work out the estimated Event Costs per head for those in supported housing compared to those not in supported housing. This must take into account the fact that 60% of those interviewed were living in supported housing or similar and 40% were not.

The actual cost for those who were homeless (excluding those in supported housing) can be estimated therefore through the following formula.

$$(19,710/((0.4*1.66)+0.6))*1.66$$

This produces a result of £25,899.

On the other hand the average Event Cost of someone in supported housing is

$$(19,710/((0.4*1.66)+0.6))$$

Which is £15,593.

The net additional annual cost in terms of Event Costs if someone is homeless rather than in a supported housing placement is therefore calculated as £10,291.

7.3 Calculating the Additional Event Costs of Being in Unsupported Accommodation.

In this circumstance we have used the work originally done by Matrix Consultancy - *Supporting People: Benefits Realisation of the Supporting People Programme (November 2004)* for the then Office of the Deputy Prime Minister as subsequently quoted in the *Research into the Financial Benefits of the Supporting People Programme (2009)* by Cap Gemini.

This was a desktop exercise that assessed the benefits of people receiving a Supporting People service by estimating what would happen in relation to usage of a range of health, housing and criminal justice services if the support package was withdrawn from the housing. It is very difficult to find the rationale behind the figures calculated but they can be best regarded as an informed estimation validated by a number of stakeholders, including a number of people responsible for the then Supporting People programme. Estimates of the net impact of the withdrawal of support on a range of Events was calculated by client group.

The estimates quoted here were updated to 2009 prices by Capgemini

Women at risk of domestic violence	£26,658
Homeless families in settled accommodation	£3,391
Homeless families in temporary accommodation	£12,503
Homeless single people in settled accommodation	£6,146
Homeless single people in temporary accommodation	£15,813
Offenders or people at risk of offending	£11,983

Teenage parents	£1,724
Young people at risk in settled accommodation	£5,495
Young people at risk in temporary accommodation	£11,088
Young people leaving care	£1,807
People with alcohol problems	£2,234
People with learning disabilities	£2,370
People with mental health problems	£1,541
People with a physical or sensory disability	£2,931

It is difficult to ascertain the exact reasons for the variation but we used these as guidelines We make use of these conclusions in the following way:

1. We ignore the figures for groups accommodated in temporary accommodation – this is to ensure a degree of consistency with the rationale that we used for assessing the additional Event Costs of homelessness – where additional costs of homelessness services were ignored.
2. For care groups we used the average of the figures for people with learning disabilities, people with mental health problems and people with a physical disability, uprated to 2015-16 prices.
3. For people escaping domestic abuse we used the figures quoted here – uprated to 2015-16 prices (the largest part of this net additional cost is the Event Cost of the increased rate of new offences).
4. For people entering treatment and not living in settled accommodation we used the average of people with alcohol problems and people with mental health problems, uprated to 2015-16 prices. (there is no figure for people with drug problems because the Capgemini report assumed that all such people would have to be accommodated in residential drug facilities or similar).
5. For all “at-risk” other groups we used the average between homeless people in settled accommodation, single homeless people in settled accommodation, offenders, and young people at risk in settled accommodation. All uprated to 2015-16 prices. This would be £6,733 at 2009 prices.

The total cost consequences for those who are unable to secure a supported housing place and end up homeless, in some form of enhanced care or in accommodation without support is then calculated by undertaking the following steps.

1. The gap in provision is apportioned across the at risk groups in line with the proportion of the total need for that service type, from that at risk group, and then totalled across all service types, but ignoring the calculated demand from each service type for moving to some second stage supported housing.
2. The total gap in available places for each at risk group is then apportioned according to the proportions that are likely to end up homeless, in enhanced care or in unsupported accommodation and these numbers are multiplied by the per head costs explained in 7.1, 7.2 and 7.3 above.

7.4 Calculating the cost of people not being able to move-on to a new supported housing service

Finally, we calculated the cost consequences of the fact that some people will be unable to move from one supported housing resource to another. It is assumed that the proportion unable to do so in relation to each service type will be in line with the proportion of total demand for each service type that comes from this source.

It is also assumed that people moving out of LSLs services will be moving to a LSHS service and vice versa, and that people moving out of SSHS services will be to a SSLS and vice versa. In some circumstances this will generate a saving, but in some cases it will involve more expenditure than would otherwise be necessary. It is the net cost of these frustrated moves that is added into the cost consequences calculation.

8. Projecting the results forwards

The need for supported housing is projected forwards in two ways.

All need figures were projected forwards by the average rate of change in the *ONS Population Projections* between 2015-16 and 2020-21. For most groups this is on the basis of the 16-64 year old population, but for young people who ceased to be looked after or for young homeless - under 25 years of age, it is specifically the rate of increase in the 16-24 year old population projections.

Where it proved possible to easily identify the basic population of the “at risk” groups for 4 or 5 years, including the base year, the average rate of change is calculated and it is assumed that this rate will continue until 2020/21. This is on top of the population projections change already described. In some cases the group-specific rate of change will be an increase and in some cases it will be a decrease.

It was possible to undertake this trend analysis for the following at risk groups

- All the homelessness groups
- People leaving psychiatric inpatient care
- People leaving Home Office funded NAAS accommodation
- Young people ceasing to be looked after children
- People at risk of homelessness
- People starting new episodes of early intervention mental health treatment

The change in the number of available places was calculated on the basis of the previous 5 years' rate of change in the availability of supported housing places. This was based on the analysis of CORE returns over these years. The rate of change identified was a decrease year on year of 2.2%. This was then projected forwards to estimate the likely number of lettings becoming available each year until 2020-21.

The calculation of the costs consequences each year therefore increases in the model at a steady rate because all factors are increased or decreased at the same rate each year. It is therefore also possible to calculate a cumulative estimate of the cost consequences over 5 years.

Sitra

Sitra is the leading charity in the housing, care and support sector providing training, consultancy and advice with a membership of nearly 500 practitioners.

In 2016 Sitra merged with Homeless Link. Having always enjoyed a close and empathetic working relationship, the merger brings together the combined knowledge and experience of over 50 staff and 800+ members. It creates an exciting opportunity for both organisations to work together even more closely to benefit members, customers, and partners and to ensure a stronger voice for our sectors.

We have operated across the housing, support and health & social care sectors for over 30 years. We offer training, consultancy and advice, lead on policy development and play a key representative role as the voice of the sectors we support, contributing to emerging policy and promoting best practice.

Sitra and Homeless Link have a strong consultancy service for members, providing support to organisations from the largest to the smallest. Staff and our bank of associates nationwide support members across the spectrum of their activities from the operational - such as policies and procedures and rent setting - through to the strategic - strategy development, business planning, new ways of commissioning and workforce development..

Our incorporation of the Health and Social Care Partnership (HSCP) furthers Sitra's wider agenda of integration of health, social care, housing and public health and we are active contributors in the current dialogue between health and housing.

As well as our active consultancy work, we are a leading training provider delivering both in-house and public courses around the country and to a variety of customers including local authorities, large registered housing providers, third sector and charitable organisations and service user groups across housing, homelessness, support, health & social care and criminal justice services.

Sitra and Homeless Link are recognised and consulted by Government departments and other bodies, including the Department of Communities & Local Government (DCLG), the Department of Work and Pensions (DWP), Department of Health (DH), and the Homes and Communities Agency (HCA), as representatives of the sector.

We carry out work both on a policy level and in providing specific support for individual organisations. We are a leading training provider, running both public programme and tailored in-house courses for clients around the country. We also provide a range of seminars and conferences on housing with support and care themes.

The linking of our policy and representative role with our detailed work providing technical support for specific organisations makes for a strong combination. It means that our work on good practice, and on policy and procedural development draws on the strength of our large membership base and on our role in developing policy to respond to emerging issues at a national level.

