Delivery and funding of housing support in Scotland - assessing costs and benefits of typical services

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Acknowledgements

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Executive Summary

This is the final report of a two-stage project carried out by the UK Collaborative Centre for Housing Evidence (CaCHE), the University of Stirling, and HACT. The study explores the funding, delivery, and preventative (i.e. avoided costs and/or wellbeing) net benefits of key elements of housing support in Scotland. Commissioning partners sought to understand the extent to which housing support offers cost-effective solutions with positive outcomes - both for people who use services and for public finances.
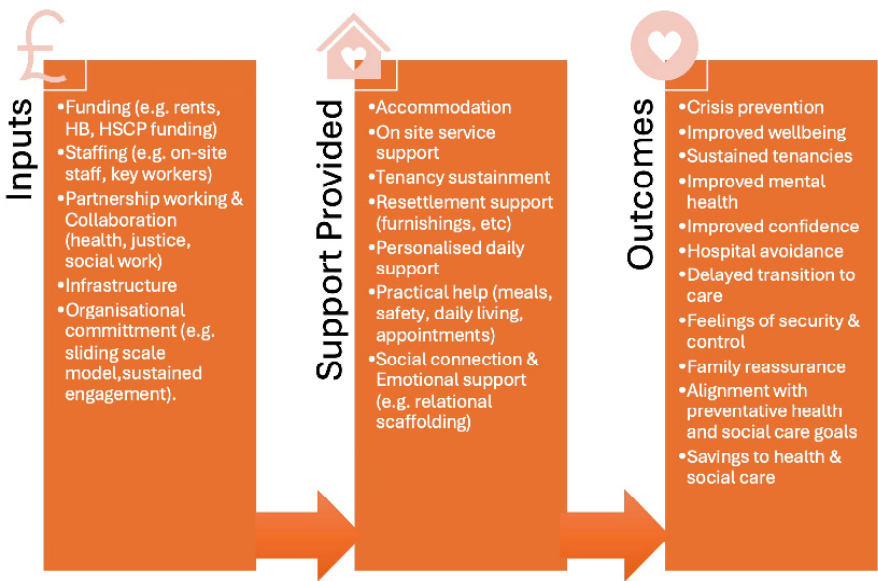
What did we do?

We first updated our 2023 evidence review to reflect new research on the financial and social value of housing support. Building in a wider mapping exercise conducted in 2024, we then examined two case studies in-depth - Hanover's accommodation-based very sheltered housing for older people, and Frontline Fife's tenancy sustainment service for people at risk of homelessness. For each, we undertook an economic analysis to estimate delivery costs, potential benefits, and the resulting net value.

What did we find?

For Hanover, the analysis was based on their own costs and avoided costs (i.e. benefits) taken from recent research by Homes England on the financial benefits of Housing Support. This included calculations of the cost per occupant for delivering very sheltered housing, the non-discounted benefits from Homes England (2024), and the discounted benefits based upon our analysis of Hanover's occupancy data[1]. In total we estimate the total net benefit to be £1.35million annually. This translates to a net benefit of £4,687 per service user. And a ratio of cost to benefit of £1: £4.85.

For Frontline Fife's tenancy sustainment project (STHS) and adopting HACT's wellbeing analysis from its social impact value databank, we were able to calculate the average net benefit and the ratio of cost to benefit. Specifically, we calculated the cost per service user using the total six-monthly costs and total number of service users, which is £593.94. We subtracted this from the average gross benefit among sampled service users to calculate the average net benefit per service user, which we estimated at £7,057.69. Finally, we divided the average net benefit per sampled service user by the cost per service user to calculate the ratio of cost to benefit. We estimate that for every £1 of investment, STHS produces £12.88 of social value.

The diagram below summarises the cost–benefit pathways identified in our two case studies. While Hanover's model centres on accommodation-based support for older people and Frontline Fife focuses on tenancy sustainment for people at risk of homelessness, both demonstrate a similar flow of value: targeted support activities lead to measurable outcomes such as improved wellbeing, sustained tenancies, and reduced strain on public services. These case studies show that despite their differences, housing support services share a common logic, transforming modest investments into significant individual and societal benefits.

Inputs
- Funding (e.g. rents, HB, HSCP funding)
- Staffing (e.g. on-site staff, key workers)
- Partnership working & Collaboration (health, justice, social work)
- Infrastructure
- Organisational committment (e.g. sliding scale model, sustained engagement).

Support Provided
- Accommodation
- On site service support
- Tenancy sustainment
- Resettlement support (furnishings, etc)
- Personalised daily support
- Practical help (meals, safety, daily living, appointments)
- Social connection & Emotional support (e.g. relational scaffolding)

Outcomes
- Crisis prevention
- Improved wellbeing
- Sustained tenancies
- Improved mental health
- Improved confidence
- Hospital avoidance
- Delayed transition to care
- Feelings of security & control
- Family reassurance
- Alignment with preventative health and social care goals
- Savings to health & social care

How Housing Support Translates Inputs Into Tangible Value

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1   Discounting is a standard feature of multi period cost benefit analysis. It refers to flows of e.g. benefits that cover multiple years into the future needing to be reduced on a consistent basis to reflect the fact that the promise of receiving them in the future is worth less than having them now. This does not apply to short run costs and benefits that only cover the current or most recent period.

As the diagram illustrates, housing support transforms relatively modest inputs into a wide range of individual and societal benefits. These benefits are often undervalued in current policy and commissioning decisions but show a clear value in terms of investment. The conclusion that follows draws out the implications of these findings for different stakeholders.

What insights and implications did we identify?

We found large net financial benefits, standardised by a measure of benefit per pound of cost. The two projects generated large net returns on this basis that align with the intuition and expectation of many of the professionals in the sector we have worked with across this and previous related projects. While we would be cautious about over-generalising from two observations, we note that they were drawn as examples of common policies widely used in Scotland. We also stress that our approach is pragmatic and conservative and should be considered likely underestimates of net benefit in important different respects.

We conclude that the sector ought to use this new research to help make the case for greater support and encouragement for housing support in the vital roles that it plays for people and to make housing and welfare solutions stick. Building on our earlier work, this reinforces the need to make clearer pathways by which housing support is funded and delivered much more explicitly and transparent as a public policy expenditure choice, and to stress the need for further investment to support its critical preventative role in delivering on many Government and widely held societal objectives.

What do we recommend?

We recommend that providers build capacity to routinely collect simple service user data (e.g. wellbeing surveys) to support low-cost impact evaluations. We also call for national work to develop up-to-date, robust measures of avoided costs across sectors, strengthening the evidence base for investment in housing support as core social infrastructure.

1. Introduction

Housing Support is often overlooked in wider housing policy discussions, yet it plays a vital role in sustaining tenancies, enabling independent living, and preventing escalating social care and health costs. Far more than the bricks and mortar of housing provision, housing support encompasses a broad and often complex mix of practical, emotional, and social interventions that allows people to live well in their homes. This is the final report of a two-stage project carried out by the UK Collaborative Centre for Housing Evidence (CaCHE), University of Stirling and HACT, concerned with the funding, delivery and preventative (avoided costs) net benefits of key elements of housing support in Scotland.

This project builds on earlier desk-based evidence review research for the same core consortium on what we know about the nature of housing support and what the recent literature tells us about its wider benefits to society (Gibb and McCall, 2023). The Gibb and McCall (2023) report summarises Housing Support as:

"it's that kind of basket of things as you need it and you know the staff role is either to give that practical assistance, sign-posting… giving a flexible service that's person-centered supporting activities that allow people to remain independent and live well at home"

Housing Support helps people maintain their homes and live well in the community, spanning everything from tenancy management and financial support to wellbeing, care, and accessibility. Despite its breadth and value, the work and contribution of Housing Support can be invisible, under the radar and undervalued. This report highlights that Housing Support can be the 'glue' that helps make wider housing models work. Therefore, this report aims to contribute to the evidence base, focusing on the net benefit of Housing Support and add to the call for a national partnership effort led by Scottish government and local authorities to properly understand and account for the outcomes, impacts and economic benefits/savings connected to Housing Support.

The commissioning partners want to quantify the extent to which Housing Support is a cost-effective tool with positive outcomes both for people who use it, and for public finance. Project partners include the Housing Support Enabling Unit (HSEU), Scottish Federation of Housing Associations (SFHA), The Scottish Commission for People with Learning Disabilities (SCLD), Hanover Scotland, Blackwood Homes and Care and the core team has expanded to include Eildon Housing Association, Simon Community Scotland and Frontline Fife. Both the research team and the commissioning partners recognise that developing the different financial and delivery routes, as well as rigorously examining the wider benefits associated with housing support in Scotland, can help sustain and make more resilient what are critical elements of housing and independent living for hundreds of thousands of households and citizens across Scotland.

To achieve this aim, the commissioning partners sought a research programme that would bottom out the costs and benefits, preventative savings and the social value of Housing Support. This has involved three elements of work:

- **Housing Support Phase 1**: The economic and social benefits of housing support report includes a literature review of the existing information and full range of Housing Support services with vignettes and case studies to illustrate the definition and spectrum of Housing Support. This report was published in May 2023 to set the foundation for HS2 (Gibb and McCall 2023).

- **Housing Support Phase 2**:

    A. Mapping Stage: Mapping the funding streams relating to the relevant types of service provision and address how housing support is organised, paid for, and who is responsible (led by Williams, See Annex 1).

    B. Cost Benefit Analysis Stage: Enable a social cost benefit analysis of housing support services in Scotland (including a social value assessment for our colleagues at HACT), in order to quantify these important net benefits. With insights built from the mapping phase, the detail of the cost benefit analysis is the focus of this report.

This report brings together these three elements but primarily concerns the cost benefit analysis as described above, and in the diagram below.

A key feature of this project has been the co-creation of the design of this stage of the work between the research team and our funder consortium's Research Advisory Group (RAG). This involved taking the nine strands of housing support activities identified in 2023 and consulting to discuss and shortlist three typical or standard forms of common housing support activity (i.e. floating support, accommodation-based support and 'core and cluster' approaches). We then co-identified with the RAG, several possible cases of provider delivering across these three activities which led to six sets of interviews undertaken, which, in this phase, allowed us to choose two case studies across the 6 providers to undertake a detailed empirical assessment of the net financial benefit of the specific forms of housing support examined.

Housing Support Project Phase 1

- The overview of economic and social benefits of housing support (see Gibb and McCall 2023)

Housing Support Project Phase 2

- Mapping the funding streams relating to the relevant types of service provision (led by Williams, See Annex 1)
- **Enable a social cost benefit analysis of housing support services in Scotland (focus of this report)**
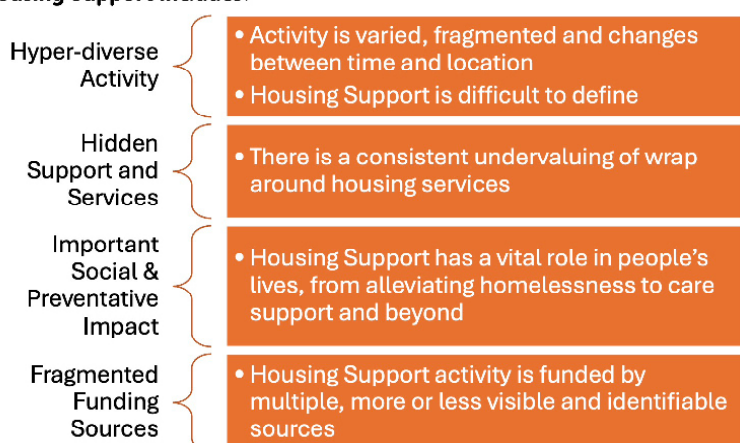
This report has been developed hand in hand with key stakeholders across Scotland's housing sector. We developed these ideas through workshops, starting with a homelessness conference in Glasgow (run by the SFHA) during the early stages of the project, and later through a session in Edinburgh where we shared emerging findings with the RAG and the wider Housing Support community. In the second phase, we selected two of the six projects and worked with partners to identify reasonable estimates of delivery costs and benefits in terms of individual wellbeing and broader avoided societal costs. This stage drew on a collaborative approach between CaCHE and HACT to generate the most robust values possible from the available evidence The report highlights the value of housing support as a visible, measurable, and integral part of the future of both the housing system and the wellbeing of citizens in Scotland.

2. Background and Evidence Synthesis

Housing Support is a broad but often misunderstood part of the social infrastructure that enables people to live independently, maintain tenancies, and participate in their communities. It includes services that provide practical help with daily living. This can include a wide variety of activities such as managing bills, navigating benefits, or coping with mental health challenges alongside relational support that builds trust and confidence, particularly in times of transition or crisis.

As shown in our earlier report, these supports are often quiet but vital, they are distinct from personal care provision, for instance, preventing homelessness, reducing pressure on health and social care services, and improving individual wellbeing (Gibb and McCall 2023). The 2023 Phase 1 report brought these dynamics to life through first-hand vignettes and outlined a complex, often fragmented picture: housing support in Scotland is delivered through a varied set of models, funding routes, and organisational arrangements. Despite this diversity, common threads emerged, such as the preventative value of good support and the risks posed by service reductions or poorly designed commissioning.

Housing Support includes:

Hyper-diverse Activity	• Activity is varied, fragmented and changes between time and location • Housing Support is difficult to define
Hidden Support and Services	• There is a consistent undervaluing of wrap around housing services
Important Social & Preventative Impact	• Housing Support has a vital role in people's lives, from alleviating homelessness to care support and beyond
Fragmented Funding Sources	• Housing Support activity is funded by multiple, more or less visible and identifiable sources

(Summary developed from Gibb and McCall 2023)

This section builds on those findings and brings in additional research published since 2023. We summarise the wider evidence base through the graphic below and the discussion that follows, before turning to the methods used in our cost–benefit analysis and case studies.

The variety of Housing Support activity is **hyper-diverse**, difficult to define and often individually tailored (a pragmatic 'basket of things as you need it'), with the full scale and variety of support mechanisms made more complex by national and local

divergence. Furthermore, the different policy settings and assumptions behind housing policy – and what the housing problem constitutes – differs across levels of government.

Housing Support is often much **less visible, fragmented and less transparent** than other parts of the funding of our housing, health and other social care services. Debates on the position of the housing sector in social policy and welfare have too often overlooked the wrap-around services that can be termed Housing Support. Housing Support plays a vital role in securing and sustaining accommodation, care and other services for many of our most vulnerable in society. But it is a model (or series of models) where practice knowledge runs far ahead of both policy and academic or research expertise and evidence.

Much of the focus in the 2023 paper was on **social impact and preventative benefits** associated with Housing Support services. Prevention is about spending now to save later or, in other terms, to reduce failure demand by tackling causes in the present to reduce symptoms in the future. Progress has been patchy and uneven. Given that shifting to prevention clearly takes time to amass impact, this implies requiring a sustained commitment to prevention, which still remains an ambition that has been difficult to consistently achieve.

The wide range of Housing Support activities is funded by **multiple, more or less visible or identifiable sources**: services differentiate between the housing tenure people are in, with respect to access to benefits, whether funding comes from non-ring-fenced council budgets, distinguishing capital from revenue spend (including benefits), among other complicating factors. This makes accurate reporting of spending on Housing Support difficult, but also our ability to connect it to other activities which depend on it. There is a pressing challenge for national-level statistical analysis in Scotland to address this gap.

Funding Housing Support: Fragmentation, Risk and Realities

Funding involves a range of different combinations of finance over different periods of time (sometimes only annual contracts; sometimes open-ended), where for instance project funds may depend on commissioning from HSCPs, housing from local authority funding or housing association development; reliance on housing benefit and exempt HB and more besides. Some of these funding routes are relatively secure (grant funding for aids and adaptions, though this does come under budgetary pressure); others are heavily dependent on decisions determined by third parties like DWP, corporate local authority priorities, the NHS or the social housing regulator, among others. This can mean that many services must operate in a complex, uncertain (and hence unsustainable) funding landscape. Providers told us that small commission packages were often seen as unsustainable and hard to manage. They also indicated that council funding decision-making processes were sometimes difficult to understand or anticipate.

One provider noted that they rely largely on council funding which is essentially annual and based upon performance from the previous year. This annularity of council funding makes it vulnerable, especially when there are council delays (e.g. arising from slower decision-making after an election).

The different strands combine adding further complexity. Another provider, a housing association, is involved in several delivery models and hence operate a complex number of funding models: a block grant for sheltered housing which is historically uplifted each year according to social care uplifts; housing benefit eligible care charges; and a council that funds care and housing support together. It is often difficult for the provider in question to apportion operational costs and hence to have clarity over performance and efficiency.

A different housing association working across multiple councils noted that while there is a mechanism to fund intensive housing management of households with additional or complex needs, and where in principle they can claim enhanced benefits, which can be challenging because it varies by council – making the model unstable and unreliable. In some areas funding is on a three-year basis, but in most it is decided on an annual basis. For several years, moreover, there was no uplift to housing support funding, so they have had to make cuts or move things into different funding streams. Funding and services were said to be "at the mercy of the Council" – where funding decisions or funding changes can happen with extremely short notice, requiring the service to change quickly.

Further Recent Evidence

Since we completed the mapping phase in 2024, further relevant evidence has come to light. The National Housing Federation (NHF) recently published an aggregate study for England (2025) which sought to demonstrate the financial benefits of supported housing. This was premised on the preventative benefits such services have regarding homelessness and in reducing health and social care costs. Essentially, the new study compares the cost of providing new supported housing versus the cost of alternative accommodation. As with all these types of studies, assumptions are made and counterfactuals chosen but the work here has the benefit of being transparent and fully detailed. The authors find that there would be a saving of approximately £3.5 billion a year and that more than 28,000 homes need to be built a year till 2040 across England to meet supported accommodation need. Matching the supported housing spending cuts since 2010 would require at least £1.6b of government

money being provided for councils to commission supported housing.

For our purposes the most interesting aspect of the NHF work is the avoided cost measures and assumptions used in the study methodology around the counterfactual (pp.6-10). The structure of the categories used comes from work by Frontier Economics in 2010. The factors deployed and their annual per person cost to the public purse include:

Measures	Assumptions/Base	Annual Per Person Cost
Social housing working age/ older people	Assumes rent levels and proportion on HB/UC, etc.	£4,541/£3,830
PRS working age/older people	Based on LHA rates and assumptions about HB/UC levels	£ 4,917/£4,147
Residential home	Based on lower range of costs in separately sourced research by Imogen Blood Associates	£45,000
Hospital provision	Based on Kings Fund research on overnight stays annual equivalent	£144,175
Bed & Breakfast/ temporary turnkey accommodation	Based on Centre for Homelessness Impact data	£20,870
Sleeping rough	Updateed from Crisis research in 2015	£26,277
Prison/young offenders	Ministry of Justice cost per prisoner	£33,628

NHF also report the 2017 report by Demos that estimates the cost of unmet supported housing need which estimates that sheltered housing saves the NHS £468m per year or £1000 per person year (uprates to £1,266 in 2023 prices). They also uprated 2009 research by CapGemini which estimates (in 2023 prices) the additional costs where different categories of people do not have housing support services, as:

- Single people experiencing homelessness as £9,269 (settled accommodation) and £23,847 in Temporary Accommodation

- Young people leaving care (£2,725)

- People with a learning disability including autism in an inpatient setting (£3,574)

- People with mental health problems in an inpatient setting (£2,324)

- People with a physical or sensory disability in a general hospital setting (£2,931).

We have also looked closely at research on older peoples' housing and wellbeing benefits arising from consumption of different forms of specialist housing (Housing England, 2024). This is more fully discussed in the analysis section on the two case studies later in the report.

The Centre for Homelessness Impact is managing a large test and learn programme for MHCLG in England on interventions around rough sleeping. One aspect of the work is to provide the best up to date evidence on homelessness cost data for counterfactuals and avoided costs (CHI 2024 Tables 1-3). It is striking how variable the sums involved are with different authors and research strategies producing quite different scales of cost. There are also apparent risks in adopting older research data and simply inflating it to current prices.

Imogen Blood Associates et al (2023), commissioned by NHF, is a second valuable paper examining the (English) financial benefits of housing support in areas of homelessness prevention, health and social care. Their value for money component (p.8) suggested that the average annual cost of supported housing per place (housing and support) was £21,000, But the benefits of avoided costs were considerable e.g. the cost to the public purse of long term homelessness were estimated at £40,000 per year, inpatient psychiatric costs averaged £170,000 per year and prison costs of revoked court orders or licenses cost £32,700 per year. For short term accommodation in relation to specialist residential care for people with multiple complex needs, the annual cost was between £45-55,000. Supported housing prevents these costs.

Implications for Housing Support – in Scotland

The new evidence (building on our 2023 review) is varied in terms of rigour, sample size and coverage (again, representing the fragmentation of different strands of Housing Support). Furthermore, there is no shortage of positive preventative or savings-based evidence particularly regarding NHS costs reduced for older people, though most of the evidence does not adequately account for the sorts of challenges and barriers to prevention noted in the 2023 report.

The 2023 study recognised that Housing Support will not be seen for the positive contribution it makes (and be supported and further invested in) until several things happen:

1. National government and social policy leaders need to understand what many practitioners know: that Housing Support has a critical contribution to make interventions more successful.

2. Housing Support providers need to make this case: to the Scottish Government, local government, the professional housing community, and, critically, to all parties they work with in partnership within the care and associated worlds where these models already apply.

3. Seeking to influence and frame the key stakeholders should start straightaway because we know that any one of these financing strands can be closed down or redirected at short notice, as has happened at the past. Well thought through models that change peoples' lives should not be at the whim of decisions made remotely for other reasons outwith local control.

This is why we are now pursuing the current project's two-part strategy. The work in the first phase involved following the money and the service/policy. The second phase looks at specific typical case studies of such models. We also seek to also understand how consistent and generalisable these narratives are across practice in Scotland, recognising that even typical case studies of a service may not be wholly generalisable, given compositional and other variable factors such as rurality, deprivation, underlying cost variations, access to services and local government resourcing.

This is a report about Housing Support in Scotland. As we shall see, we use UK-wide data in places and some specifically English data to fill data gaps but also because in some cases, e.g. the HACT social value data, the analysis draws originally from the examination of UK level official social surveys and is then applied to local survey responses. We of course recognise that there are aggregating assumptions and institutional differences when examining Scottish practice outcomes in this way (e.g. the presence of free personal care in Scotland) but, on balance, we are not convinced that this creates major difficulties for the HACT wellbeing analysis or that we would expect there to be significant biases arising from the specific English data applied below, even though data limitations are a fundamental reality of this type of work.

3. Methods

Next, we demonstrate how the two elements of phase 2 of the work combine and how they were carried out. The first stage set out typical funding streams, delivery models and inherent challenges found within 6 organisations providing three types of fundamental housing support services. We then chose two of these as the basis for a subsequent deeper dive into case study net financial benefits.

Mapping Stage: Funding streams relating to the relevant types of service provision

The first stage of the development of phase 2 was to agree with the RAG which forms of Housing Support should be the focus of the research. Creative idea mapping took place at the SFHA homelessness workshop session to explore direction of research and align with housing sector expectations. Decisions in terms of delivery model focus were decided based on propinquity, typicality and relevance. It is also clearly important to be able to apply these principles to real world examples from which we can learn lessons. The RAG and research team consequently agreed to focus on the following types of service model[2]:
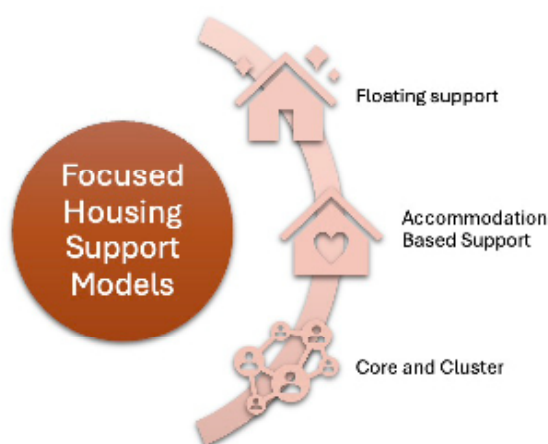
A key rationale for conducting the mapping phase was to surface the diversity of delivery models and funding mechanisms across Scotland. Led by Williams, this initial analysis enabled the research team to identify typical service models and real-world constraints, which in turn informed the selection of representative case studies for cost–benefit analysis. In practice, this meant

2 We agreed also that 'tech' delivery models of housing support should be drawn out across the three service models proposed rather than on its own; we also would include Housing First within Floating Support.

that the economic modelling was not undertaken in isolation but shaped by contextual knowledge generated through the mapping process. The phased approach therefore created a strong foundation and supports greater confidence in the findings.

This co-productive research design strengthens the connection between funding realities and empirical cost benefit analysis. Annex 1 sets out the examples from which we could then draw to cover these models. We contacted providers and in due course were able to confirm the participation of the following organisations, each of which were interviewed, and data and documentary evidence secured[3]:

- Richmond Fellowship

- Eildon housing association

- Frontline Fife

- Blackwood Homes and Care

- Wheatley Group

- Hanover Scotland

The discussions with providers, by emphasising how Housing Support is delivered and funded, considerably broadened the scope and range of interview themes. In particular, the conversations focused on four areas: the delivery model (how does the housing support delivery model work in practice? Who are the service users?); partnership and context (what partnerships are involved in service delivery? Are there any other important contextual factors?); funding (what are the funding sources that support the services?), outcomes and resilience (how sustainable/resilient are the service delivery and funding models? How are the outcomes and success of the service measured?). We also captured the wider thinking of the six providers regarding housing support in a wider sense than just the specific projects. Where relevant, we have taken note of those broader points.

Emerging findings were discussed at a meeting of the RAG and then subsequently at a roundtable meeting with a wider group. The 2024 mapping stage (Annex 1) drew on all six organisations' evidence.

The cost-benefit stage of the research applied a deeper analysis to two case studies, selected to reflect different models of housing support: accommodation-based support for older people (Hanover's very sheltered housing), and floating support for people at risk of homelessness (Frontline Fife's Short-Term Housing Support service). Working closely with these organisations, we calculated delivery costs and mapped potential outcomes, such as improved wellbeing and avoided public service costs, drawing on administrative data, service user journeys, and relevant literature. Impacts were monetised using the HACT Social Value Bank where possible, supplemented by evidence-based proxies when required. The resulting net benefit estimates reflect both direct and indirect value, though some impacts may remain underrepresented due to data or valuation limitations. A full explanation of the methodology, including the assumptions and steps involved in the analysis, is provided in Annex 2.

4. Cost-Benefit Analysis: Net Benefits Emerging from Case Studies

Hanover: Very Sheltered

Hanover is a non-profit organisation registered to provide social housing with the Scottish Housing Regulator and registered with the Care Inspectorate to deliver housing support. The case study focuses on their very sheltered housing provision, which is a form of accommodation-based support within this report's typology. Hanover provides over 250 very sheltered homes, across 17 sites. The sites are located within North Lanarkshire, East Dunbartonshire, South Lanarkshire, Renfrewshire and Moray. Very Sheltered housing provides accommodation for older people which supports independence and wellbeing. Residents live as independently as they wish, with the aid of on-site support staff and communal dining. In contrast to a care home setting, residents have their own front door, and the accommodation includes a living room and kitchenette.

The average age of a new Hanover Very Sheltered resident is 80 years old, and the average tenancy period is just under 3 years. The most common reasons for a tenancy ending are the death of the occupant or moving to a care home due to age-related declines in health. Demand is high for Very Sheltered accommodation, with 7 of Hanover's schemes at full occupancy. Residentsatisfaction with Very Sheltered housing is also very high. Survey data shared by Hanover reveals that their performance was above 90% for the following outcomes: residents feel safe and protected from neglect; residents feel the service is efficiently managed; staff have the necessary knowledge and skills; staff respect people's rights and privacy; and residents feel included in the development of their personal care plans.

3   We note that four of the six were contributing funders of the research – this was partly pragmatic to secure access and co-operation but certainly did not in any inhibit candour or full participation.

To estimate the impact associated with Hanover's Very Sheltered schemes we relied upon existing evidence provided by Homes England (2024), which assessed the wellbeing and fiscal impact of housing for older people. Specifically, we utilise the measures on the wellbeing and fiscal impact of extra care housing – the most suitable analogue for Very Sheltered accommodation. The research team determined that the Homes England figures were more appropriate for the Hanover case study than the HACT Social Value Bank figures given they are specific to housing for older people. All other steps of the calculation process are as described in the Methods section above.

Homes England (2024) provides average wellbeing values through a methodology similar to the HACT Social Value Bank. Firstly, the average change in life satisfaction is calculated for people moving into extra care relative to a relevant comparator group. Secondly, these changes in life satisfaction are converted into monetary values in accordance with the Treasury's Wellbeing Guidance for Appraisal. However, as the impact from a move into supported housing attenuates over time, a discount factor is applied in each subsequent year of occupancy. The discount factors are 1.5% and 3.5% for subjective wellbeing and financial savings, respectively. Hanover shared data on the tenancy length per occupant, from which we calculated the average tenancy length (2.91 years) and applied the relevant discount factor (see calculations in Table 1).

In addition to wellbeing impact, Homes England (2024) provides an estimate of cost avoidance from extra care housing. Cost avoidance in this case is primarily avoided health and social care expenditure, including reduced hospital admission, reduced length of hospital stays, and preventions of delayed hospital discharge. Again, we apply the relevant discount factor based upon the Hanover occupancy data.

Using these figures requires us to assume that the cost savings identified in England generalise to Scotland. In the case of subjective wellbeing values, there are no reasons to assume they would not generalise to Scotland. Cost avoidance savings may differ in Scotland if the cost of hospital admissions or average length of hospital stay differs from England. But it is worth noting that it is common in cost-benefit calculation to generalise figures from similar contexts.

To assess costs relative to benefits, Hanover shared details of the costs of providing their Very Sheltered schemes per local authority for the 2024/25 financial year. The costs include staff, administration, provision of food, and ongoing maintenance. To calculate a cost per occupant we sum the cost per local authority and divide the total by the number of current Very Sheltered occupants across all of Hanover's sites. The cost per occupant is, therefore, the average annual cost of providing the service for an additional occupant, not the rent paid by occupants.

Table 1 summarises the net benefit of Hanover's Very Sheltered schemes. Table 1 includes calculations of the cost per occupant for delivering very sheltered housing, the non-discounted benefits from Homes England (2024), and the discounted benefits based upon our analysis of Hanover's occupancy data. For transparency, we also include a column describing our calculations. In total we estimate the total net benefit to be £1.35million annually. This translates to a net benefit of £4,687 per service user. And a ratio of cost to benefit of £1: £4.85.

Table 1: Net benefit Hanover Very Sheltered schemes

Calculation	Occupancy	Value
A	Total occupants	288
Costs		**Value**
B	Total cost	£350,292.00
C = B ÷ A	Cost per occupant	£1,216.29
Non-discounted benefits		**Value**
D	Wellbeing benefit	£4,318.00
E	Cost avoidance	£1,840.00
Discounted benefits (gross)		**Value**
F = D * ((1 - 0.015) ^ 2)	Wellbeing benefit	£4,189.43
G = E * ((1 - 0.035) ^ 2)	Cost avoidance	£1,713.45
H = F + G	Average benefit	£5,902.89
Benefits (net)		**Value**
I = H - C	Average benefit	£4,686.59
A * I	Total benefit	£1,349,739.04
H ÷ C	Net benefit per £1 investment	£4.85

Frontline Fife: Short-Term Housing Support

The second case study is Frontline Fife's STHS service, which is a form of floating support within the report's typology. Frontline Fife is a non-profit charitable organisation that exists to end homelessness and take preventative action to achieve that goal. STHS is tenancy related support for the purpose of enabling service users with short term housing support needs to maintain their tenancy and become independent in doing so. Referrals to the service are received from Fife Council, who also commission the service. People aged 16 years and over living either in temporary accommodation or in their own home within Fife are eligible for STHS, provided they are in unsupported accommodation.

Service users receive support for a six-month period from Frontline Fife, and support services include:

- Financial advice, including budgeting support, benefit applications, and accessing energy efficiency advice

- Supporting with daily tasks and establishing a routine, including health eating/cooking, cleaning, laundry, guidance on setting up a home, and guidance on arranging adaptations

- Buying food, including time-limited support with budgeting and healthy eating

- Support to attend appointments

Frontline Fife evaluates the STHS service using a combination of quantitative and qualitative tools. Quantitative tools include an outcome assessment survey which we use for our cost-benefit calculation (see below). But Frontline Fife also shared (anonymised) qualitative case studies of service-user journeys that demonstrated the complex and nuanced impact of housing support services, especially those working with a homeless population whose journey to secure accommodation will often be non-linear. Moreover, some qualitative data could not be shared for data protection purposes. Examples of impact captured in the qualitative cases that will not feature in the cost-benefit calculation include the impact of bringing rooms and the garden back into use following the clearing of a hoarded property, and the support provided to take the initial steps towards rebuilding social networks such as re-establishing contact with family. The implication is that although we present the outputs of our cost-benefit calculation using an established methodology to aid with comparison against similar services, no single methodology can capture the full impact of such services in isolation. And future research could utilise the insights provided by the case studies to refine existing cost-benefit methodologies.

To better understand the analysis, we first set out a note on the population used to conduct the cost-benefit calculation for STHS is required. The Frontline Fife net benefit assessment was calculated using six-months of outcome data taken from 2024, as this timeline matched the reporting structures of the case study organisation. Frontline Fife shared the anonymised survey outcomes of 57 service users who received support from STHS during this period and had completed pre- and post-intervention outcome surveys. Frontline Fife also shared twelve months of cost data and the total number of service users for 2024, which we divide by two to produce a six-month figure.

As STHS provides tenancy sustainment support but does not provide accommodation, the costs of delivery are primarily staff costs with some apportionment for central management, administration and overheads. The total number of service users in 2024 was 271 (135.5 for a six-month period) and is therefore a higher number than the 57 service users with completed outcome surveys (by a factor of 4.75).

The cost element of the cost-benefit calculation is derived by dividing the six-monthly cost of the service by the total number of service users. The benefit element of the cost-benefit calculation is derived using a survey of the 57 service users being actively supported by the service at the time of the research (see below for further details on how this is calculated). As such, we quantify the STHS impact as the average net benefit per service user, and the ratio of costs to benefits. But we do not present the total net benefit of the service, as we do not know whether the impact achieved among the 57 sampled service users generalises to the wider population of STHS service users[4].

To assess the benefits of STHS we utilised the outcomes assessment survey data held by Frontline Fife. STHS service users complete a baseline review at the beginning of their support period during which they assess their life against ten outcomes relating to their wellbeing. At the end of the six-month period, service users recomplete the assessment and Frontline Fife measures the change against each outcome. Outcomes are assessed on a 1–10-point scale, which is further split into five 2-point categories, which in ascending order are:

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4   For clarity, the HACT analysis is best to be thought of an indicator of the benefits to costs of the **service as a whole not per user**. We find that 40% of those surveyed had an outcome step change; this is calculated in monetary terms and summed to produce the service level figure. It is not meaningful to think of it as being averaged over the 57 but rather as a measure of the total benefit they received (recognising that 60% did not meet the threshold for social value under our methodology but may still have received some benefit from the service, just not enough to meet our step-change criterion). Moreover, the HACT analysis works by avoiding overlap and discounting, so this is not an issue with this analysis. The practice of presenting the service per person is perfectly standard in social policy analysis as a communications device but it should not be taken literally.

1-2: stuck

3-4: getting help

5-6: believing and trying

7-8: finding what works

9-10: self-reliance

Frontline Fife shared anonymised data on these outcomes for 57 service users with both pre- and post-intervention surveys, as mentioned above. Subsequently, we mapped the ten outcomes to the impact measures in the HACT Social Value Bank. Table 2 presents the STHS outcomes that could be mapped to an equivalent outcome from the HACT Social Value Bank, and their associated social value monetary amount. Table 2 includes the description of the outcomes as they appear on the STHS survey forms, and in the Social Value Bank documentation.

Table 2: HACT social value bank impact measures for Frontline Fife

Frontline Fife STHS outcome measure	HACT Social Value outcome	Wellbeing	Cost avoidance	Total social value
Where I'm living: A suitable home, steps to living independently, managing a tenancy	Temporary to secure accommodation: providing secure accommodation to people who previously lived in temporary accommodation	£1,313	£1,148	£2,461
Friends and relationships: Friends, family, partners and other close relationships, people who support you	Feel belonging to neighbourhood: improving people's sense of belonging to their local neighbourhood	£7,170	£63	£7,233
My money: Benefits, debts, having enough for basics, managing money and paperwork, budgeting	Financial comfort: supporting people to become more financially comfortable	£10,941	£112	£11,053
My health: Doctors, treatment, healthy food, exercise and sleep	Good overall health: improvements to people's general overall health	£17,836	£539	£18,375
My health: Doctors, treatment, healthy food, exercise and sleep	Improved diet: increasing people's access to fresh fruit and vegetables	£4,117	£59	£4,176

Table 2 does not, though, represent the net benefit of STHS, as within the HACT framework a change must occur within an individual's life for social value to be generated. Therefore, Table 2 represents the upper bound of impact that could be achieved per service user.

Within the HACT Social Value Bank, outcomes such as belonging to a neighbourhood, financial comfort and good overall health are measured using subjective Likert scales. For example, change in overall health is measured using responses to the question "In general, would you say your health is: excellent, very good, good, fair, poor?" And impact is assumed if a respondent moves from either 'poor/fair' to 'very good/excellent'. To harmonise the STHS assessment responses with this framework, we assume STHS produces an impact if a service user moves from 'stuck/getting help' to 'finding what works/self-reliance'. This sets a high threshold for impact from the STHS service, as many service users experience a substantive improvement along the 10-point scale but may, for example, finish within the 'believing and trying' category, or may improve from 'believing and trying' to 'self-reliance'. Such improvements are undoubtedly meaningful, especially in a six-month period. Nonetheless, we adopt this higher threshold as it is the most consistent with the HACT framework, and safeguards against the risk of special pleading.

Following the application of this assumption, we calculate the gross benefit of STHS by identifying each sampled respondent moving from 'stuck/getting help' pre-intervention to 'finding what works/self-reliance' post-intervention, applying the relevant social value monetary amount from Table 2, and finally summing the social value to produce a total amount. The number of sampled service users achieving an outcome and the associated monetary social value is displayed in Table 3.

Table 3: Benefit calculation for Frontline Fife STHS by outcome

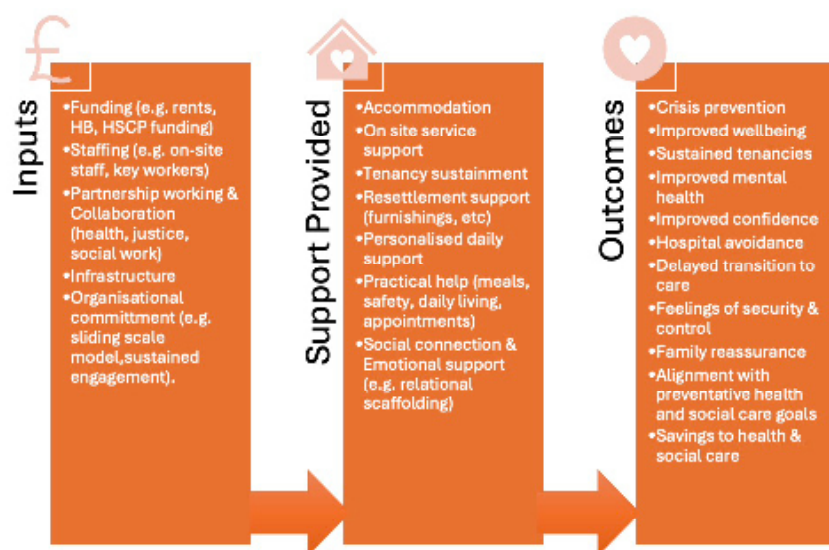| Outcome	Service users achieving outcome	Gross social value
Where I'm living	8	£19,688.00
Friends and relationships	8	£110,530.00
My money	10	£57,864.00
My health	11	£248,061.00
Total		**£436,143.00**

We can now calculate the average net benefit and the ratio of cost to benefit, presented in Table 4. Specifically, we calculate the cost per service user using the total six-monthly costs and total number of service users, which is £593.94. And we subtract this from the average gross benefit among sampled service users to calculate the average net benefit per service user, which we estimate at £7,057.69. Finally, we divide the average net benefit per sampled service user by the cost per service user to calculate the ratio of cost to benefit. We estimate that for every £1 of investment, STHS produces £12.88 of social value.

Table 4: Net benefit Frontline Fife STHS

Calculation	Six-monthly costs	Value
A	Total service users	135.5
B	Total cost	£80,478.71
C = B ÷ A	Cost per user	£593.94
Benefits (gross)		
D	Sampled service users	57
E	Total benefit among sample	£436,143.00
Benefits (net)		
(E ÷ D) - C	Net benefit per sampled service user	£7,057.69
(E ÷ D) ÷ C	Net benefit per £1 investment	£12.88

Summary: Cost–Benefit Pathway

To summarise some of the key findings, the diagram below summarises the cost–benefit pathways identified in our two case studies. While Hanover's model centres on accommodation-based support for older people and Frontline Fife focuses on tenancy sustainment for people at risk of homelessness, both demonstrate a similar flow of value: targeted support activities lead to measurable outcomes such as improved wellbeing, sustained tenancies, and reduced strain on public services. These case studies show that despite their differences, housing support services share a common logic, transforming modest investments into significant individual and societal benefits.

Inputs
- Funding (e.g. rents, HB, HSCP funding)
- Staffing (e.g. on-site staff, key workers)
- Partnership working & Collaboration (health, justice, social work)
- Infrastructure
- Organisational commitment (e.g. sliding scale model, sustained engagement).

Support Provided
- Accommodation
- On site service support
- Tenancy sustainment
- Resettlement support (furnishings, etc)
- Personalised daily support
- Practical help (meals, safety, daily living, appointments)
- Social connection & Emotional support (e.g. relational scaffolding)

Outcomes
- Crisis prevention
- Improved wellbeing
- Sustained tenancies
- Improved mental health
- Improved confidence
- Hospital avoidance
- Delayed transition to care
- Feelings of security & control
- Family reassurance
- Alignment with preventative health and social care goals
- Savings to health & social care

How Housing Support Translates Inputs Into Tangible Outcomes

As the diagram illustrates, housing support transforms relatively modest inputs into a wide range of individual and societal benefits. These benefits are often undervalued in current policy and commissioning decisions but show a clear value in terms of investment. The conclusion that follows draws out the implications of these findings for different stakeholders.

5. Conclusions and Recommendations

This report has demonstrated the social and economic value of Housing Support services in Scotland, using two diverse case studies to highlight both preventative impacts and cost benefits. While the range of service models is diverse, there is a clear message: where housing support is well-designed and appropriately resourced, it can deliver substantial returns in improving the lives of individuals and in reducing demand on public services.

What does this mean for the applied empirical stage of this research? We went on in this paper to look more closely at a couple of case studies representing different aspects of typical housing support models. This involved examining the scope and subsequent application of the undertaking of social cost benefit analysis of specific projects and to measure the social value of that housing support. The different types of projects examined, data considerations as well as opportunities (e.g. the Frontline Fife survey tool), led us to approach the empirical cost benefit analysis in two different ways (Homes England avoided costs for Hanover; the HACT wellbeing social value bank for Frontline Fife). With a pragmatic, credible and detailed analytical approach adopted for both case studies, the analysis has confirmed large, standardised net benefits to both projects.

However, this value is often overlooked as it depends on sustained funding, focused commissioning, and the preservation of relationship-based practice. The current fragility of some housing support models, particularly where funding is short-term or fragmented, risks undermining these gains. For different stakeholders, prioritising Housing Support is a strategic investment in sustaining, commissioning, and embedding its value across systems. This has specific implications for:

1. Providers: The findings reinforce the importance of evidencing outcomes, maintaining user-centred approaches, and collaborating to share best practice in service design and delivery.

2. Local authorities and commissioning bodies: The case studies underline the need for stability in funding and a commissioning culture that supports preventative, wraparound approaches. Cost–benefit thinking should inform investment decisions, not just short-term efficiencies.

3. National policymakers: The evidence points to housing support as a core component of the social infrastructure needed to prevent crisis and enable independent living. Protecting and embedding housing support within health, housing and social care policy should be a priority.

Further research is needed to extend this analysis to a wider range of support types and user experiences. But this phase makes clear that delivery is not a marginal add-on and indeed housing support is an essential part of creating inclusive, sustainable communities.

Key Insights

With regards to the net benefits of housing support, the findings suggest the sector produces significant impact, both through subjective wellbeing improvement and cost avoidance. Case studies provided evidence rich in detail that they affected the wellbeing of their service users through improved tenancy sustainment, financial comfort, physical and mental health, and sense of belonging to their community and neighbourhood.

In monetary terms, our analysis suggests that each case study produces a significant net benefit to individuals and wider society. The return on Hanover's Very Sheltered housing is estimated to be £4.85 for each £1 of investment. The drivers of this impact include improved life satisfaction, reduced GP visits, reduced hospital admission, and shorter hospital stays. The estimated return on Frontline Fife's STHS is £12.88 for each £1 of investment. The drivers of this impact include secure accommodation, financial comfort, improved health, and a sense of belonging to a neighbourhood.

Furthermore, our analysis suggests the case studies are generating further impact not captured in our cost-benefit calculations. To give credibility to our calculations we have been conservative in our application of monetary values. But this may underestimate the impact of housing support. Survey responses of very sheltered residents in Hanover suggest that they benefit from a feeling of safety and security, which our calculations have not captured. Similarly, Frontline Fife's STHS will produce substantial government savings through avoidance of expenditure on temporary accommodation as service users sustain permanent tenancies instead. There are other issues with the use of extraneous secondary avoided costs estimates. While it is possible to use these judiciously through reviews of different approaches (e.g. CHI, 2024), this needs to be done carefully and transparently in terms of assumptions made (see Annex 3 for more discussion).

How generalisable and typical might these findings be for housing support in Scotland? We chose the case studies as examples of widely provided services in two broad types of provision. Of course, each actual project has important idiosyncrasies, data issues and conceptual puzzles to overcome before we can arrive at our considered estimates. But we have attempted always to be faithful to the underlying net benefits modelling approaches used, be they social value impact as with Frontline Fife, or the

avoided costs model recently applied by Homes England (in the case of Hanover). We have tried to set out our thinking as clearly and transparently as possible.

We cannot make absolutist promises about the wider applicability of these results, only that they reflect two typical and widely used service types and they both generate large net returns on our measure of net financial benefit. The results are certainly indicative of the sorts of magnitude of impact Housing Support may be providing.

Our preferred measure (benefit per pound of cost) generates large results, the scale of which may worry more sceptical readers. Are the effects too large? We think we have carefully generated the costs and benefits used here, made our assumptions explicit and we suspect that the results found will be intuitive and not unexpected by those working in the sector. We also stress that we have been conservative in our approach and acknowledge that elements of benefit may be under-estimated here e.g. the cost of temporary accommodation foregone if tenancies end (for instance within private sector leasing schemes or bed and breakfast) if tenancy sustainment fails, or including the reduced cost of fewer missed appointments to the NHS, or the wellbeing feelings of safety and security within good sheltered housing.

Key Recommendations

This report evidences the vital role housing support plays in preventing crisis, enabling independent living, and reducing demand on public services. Yet the sector remains fragile, with short-term funding and inconsistent commissioning undermining its potential. It is worth remembering that the sector is strongly regulated (although arguably it is still not valued for its delivery of vital services in the way other comparable regulated services like mainstream housing associations are), and that this involves considerable data collection an reporting which can be viewed as a burden but is also not just a way of improving standards, but also a potential data opportunity for net benefit assessment.

1.	Provide support to assist providers in demonstrating impact:

Providers must be supported to evidence outcomes and impact using a cost model that is recognised across health, housing, and social care. This will strengthen the case for preventative investment and enable more joined-up delivery.

2.	Secure long-term and sustainable funding for housing support:

As demand rises, funding must move beyond piecemeal arrangements. With an election approaching, there is a clear opportunity for political parties to show leadership by committing to supported housing and independent living as central pillars of activity across Scotland.

3.	Deliver on existing national commitments.:

Government should align housing support funding and delivery with priorities already set out in Housing to 2040, Ending Homelessness Together, and social care integration. Doing so is essential to shift the system from crisis response to prevention.

4.	Build capacity to measure social value and wellbeing outcomes:

Providers should be supported to use consistent 'before and after' wellbeing surveys and social impact tools, such as those piloted with HACT and Frontline Fife. This will allow for better benchmarking and learning across the sector.

Further Research and Development Priorities

5.	Quantify outcomes currently under-recognised in existing models: Not all the social value generated by housing support is captured in the present analysis. Further work is needed to estimate the impact of outcomes such as emotional security, reduced isolation, and engagement with preventative services.

6.	Develop robust methods for assessing avoided public costs: Future studies should continue to refine methods for valuing avoided costs across housing, health, and justice systems. This will strengthen the economic case for investment and support better commissioning decisions.

This report adds to a growing body of evidence showing that housing support is not a peripheral add-on, but a foundation for inclusive, preventative public services. If we are serious about shifting from crisis response to early intervention, Housing Support must be part of the way forward.

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Williams, R, Gibb, K and McCall, V (2024) Mapping the Funding Streams for Housing Support: The Journey to Preventative Benefits. CaCHE/University of Stirling report to Funding Consortium.

Williamson, A. (2024) Missingness in healthcare, importance, causes and solutions. University of Glasgow

ANNEX 1: Mapping Stage

This Annex summarises findings from the mapping phase of the project, led by Dr Rhiannon Williams (University of Sheffield). This phase formed the foundation of the cost-benefit work by systematically exploring the range of housing support delivery models and funding arrangements in use across Scotland. Through six in-depth organisational interviews, the research team gathered detailed evidence about how different types of housing support are structured, funded, and experienced by providers on the ground.

The examples that follow are illustrative of the wider landscape of housing support and reflect a mix of service types, including floating support, core and cluster models, and accommodation-based provision. While specific provider names were used during the data collection phase to guide case selection, they have been removed here where appropriate to protect confidentiality and to reinforce the fact that these examples represent just one part of a broader portfolio of services offered by each organisation.

These case examples helped surface shared lessons about the complexity of funding streams, organisational resilience, partnership working, and preventative outcomes, all of which informed the design and implementation of the later cost–benefit analysis. They are not intended to be comprehensive evaluations of individual services but instead illustrate the range and richness of housing support practice in Scotland.

Background to the six participant projects

Core and cluster – Support delivered from a central point to individual tenancies / homes in a community / locality. Extent to which tenancy is linked with support provision may vary – would need examination. Support provided from a base to individual tenancies/housing. Funding would typically be from the HSCP.

Floating support - this was a form of tenancy sustainment and resettlement, part of their Homelessness Service Housing Support provision. The focus of such a service is likely to be on budgeting/ furnishing/ settling into new tenancy, to avoid a tenancy failure that leads to homelessness. This model may be funded by the council (though council housing budgets are increasingly under pressure, less often by HSCP but sometimes from social rents.

Accommodation-based - Sheltered housing / supported living for older people. This would tend to be a Permanent tenancy in dedicated housing, which is funded by rents (self-funders and HB), LA housing or HSPC. Housing support element is increasingly at risk.

Floating support - this was a form of visiting support, where support is not directly linked to housing – it can be provided completely separately to the offer of or maintaining a tenancy. Usually this is an HSCP contract and there may be periodic risk of re-assessment of the care package. The project delivers an integrated landlord support package. They deliver sheltered housing and extra care - housing support is embedded in both of those service models slightly differently; they also deliver elements of housing support within supported living for adults with disabilities

Accommodation-based - Sheltered housing / supported living for older people. This would tend to be a permanent tenancy in dedicated housing, which is funded by rents (self-funders and HB), LA housing or HSPC. Housing support element is increasingly at risk. The HA provides a sliding scale of support starting with general needs housing with support, moving to very sheltered and then to housing with care where support is provided by Hanover, and there are some purpose-built properties.

Core and cluster - Support delivered from a central point to individual tenancies / homes in a community / locality. Extent to which tenancy is linked with support provision may vary – would need examination. Support provided from a base to individual tenancies/housing. Funding would typically be from the HSCP. The HA considers core and cluster to be flexible, even though its finding is not (based on a set number of hours per person).

Shared Lessons

Delivery models are in part a function of the funding and regulatory partnerships that are required, for instance, with councils, HSCPs and a host of other charities and social enterprises. Across the board, organisations frequently saw the flexibility of the housing support delivery as an underlying strength.

History and context also matter - several of the delivery bodies we spoke to had to re-purpose older models of property like sheltered housing or obsolete or otherwise redundant properties. Similarly, they have had to renew and alter existing services to meet new demands, regulatory requirements and funding models. Also important is the size of organisation. While they may often be measured by the same standards, it can be harder for smaller organisations to be resilient because of lesser underlying capacity.There are also currently significant contextual challenges external to organisations: changing needs due to an ageing

population, increased homelessness applications, high housing and development costs. These create high risks augmented by high inflation, and the cost-of-living spikes in for instance fuel costs.

Partnerships are complex and multi-faceted e.g. social work, different councils, other charities. If the delivery body is not a housing provider, they need to rely on the quality of their housing partner's delivery of housing services. One provider noted that working across council areas, one often found non-standardisation of housing services and even underlying concepts inherent to the housing service. Partnering brought specific benefits buts also challenges. In general, where service users have complex needs, they need a range of services and hence multiple partners.

Funding the Model

Funding involves a range of different combinations of finance over different periods of time (sometimes only annual contracts; sometimes open-ended), where for instance project funds may depend on commissioning from HSCPs, housing from local authority funding or housing association development; reliance on housing benefit and exempt HB and more besides. Some of these funding routes are relatively secure; others are heavily dependent on decisions determined by third parties like DWP policy, corporate local authority, the NHS or the social housing regulator, among others. This can mean that many services must operate in a complex, uncertain (and hence unsustainable) funding landscape. Providers told us that small commission packages were often seen as unsustainable and hard to manage.

One provider noted that they are largely dependent on council funding which is essentially annual and based upon performance from the previous year. This annularity of council funding makes it vulnerable. Funding and services were said to be "at the mercy of the Council" – where funding decisions or funding changes can happen with extremely short notice, requiring the service to change quickly.

Benefits of a well-functioning model of Housing Support

Despite these challenges, providers identified specific important benefits flowing from housing support. First, a well-functioning model enables people to live independently in their communities. Second, well-designed models can be customised and flexible to individual needs and they can be scalable. Several of the providers, third, claimed housing support generates important preventative benefits, or avoided costs (see diagram below), such as: delaying moves into more intensive support; avoiding emergency situations; alleviating pressure on other care or health services; and sustaining tenancies and helping prevent homelessness.

However, capturing preventative outcomes requires their measurement. Doing this well will take time and capacity: sometimes outcomes were hard to measure, particularly when capacity limitations meant organisations had to focus on council reporting rather than internal outcomes measuring. Organisations had limited capacity to establish baselines or definitions of success. Complex funding can be a disincentive to measure outcomes formally e.g. if part of a landlord service is formally recognised as housing support, it may no longer be eligible for Housing Benefit funding.

ANNEX 2: Cost-Benefit Stage

Undertaking the Net Benefits Analysis

The second phase of the empirical work involved making a judicious and pragmatic decision on which two case studies to look at in more depth and thereafter attempt to quantify the typical costs and benefits that such provision delivers.

Following the selection of two case studies, we chose to focus on two particular services provided within each organisation: very sheltered housing in the case of Hanover, and the Short-Term Housing Support (STHS) service in Frontline Fife.

We can summarise the two case study projects.

Frontline Fife (floating support) - this was a form of tenancy sustainment and resettlement, part of their Homelessness Service Housing Support provision. The focus of such a service is likely to be on budgeting/ furnishing/ settling into new tenancy, to avoid a tenancy failure that leads to homelessness. This model may be funded by the council (though council housing budgets are increasingly under pressure, less often by HSCP but sometimes from social rents.

Hanover (accommodation-based) - Sheltered housing / supported living for older people. This would tend to be a Permanent tenancy in dedicated housing, which is funded by rents (self-funders and HB), LA housing or HSPC. The Housing support element was seen to be increasingly at risk. Hanover provides a sliding scale of support starting with general needs housing with support, moving to very sheltered and then to housing with care where support is provided by Hanover, and there are some purpose-built properties.

Hanover describe the very sheltered housing model as "aimed at frailer older people. Residents still have their own flat and can live as independently as they please, but support staff are on site 24 hours a day and meals are served in communal dining rooms."[5]

STHS aims to help people sustain their tenancies through the provision of a range of services. Services including financial advice, support with daily tasks, budgeting and healthy eating advice, and support to attend appointment. Further detail on the case studies is included in section 5.

The net benefits calculation subsequently proceeded through the following stages, with some modifications that are detailed within each respective case study,

Calculation of costs. For each service we ascertained the associated costs of delivery. Delivery costs were annual figures for the service, with an apportionment of the cost of central management, administration and overheads. Costs were calculated as both total costs and costs per service user.

Mapping of potential outcomes. Through discussions with the respective case studies, we identified the potential effect of their service in terms of impact on individual wellbeing and cost avoidance. This involved discussing the prototypical service user journey, the administrative data collected and stored by case studies (e.g. needs assessments, satisfaction surveys, reasons for tenancy termination), and how this may map onto established methodologies of impact assessment.

Assigning monetary values to impact. Calculating the net benefit of a service requires the assignment of a monetary value to the impact of a service, with the impact being either an improvement in subjective wellbeing or cost avoidance.

To estimate the monetary value of improvements in subjective wellbeing we used the HACT Social Value Bank framework as a default. The HACT Social Value Bank assigns monetary values to improvements in wellbeing and life satisfaction made to individuals through interventions and programmes. The HACT Social Value Bank begins by analysing national datasets to understand what impact change in particular outcomes – for example, moving from temporary to secure accommodation, or being able to pay bills – has on self-reported wellbeing. Subsequently, it assigns a monetary value by estimating the sum of money which would have an equivalent impact on subjective wellbeing.[6] Where the data necessary to utilise the HACT Social Value Bank was not available we used proxy values taken from existing evidence and literature.

In one of the case studies, Frontline Fife, to estimate the cost avoidance of the services we used HACT's exchequer values – indirect, secondary impacts of an outcome in net fiscal terms to the government, such as increased tax receipts or reduced social security and NHS expenditure. Again, where case studies lacked data on change for individuals, we utilised existing evidence and literature to derive suitable proxies.

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5   Very sheltered, Hanover Scotland: http://hanover.scot/find-a-home/very-sheltered/
6   Technical detail about the wellbeing valuation approach can be found in the wellbeing values methodology guidance notes: https://hact.org.uk/publications/methodology-note-for-wellbeing-values/

It is worth noting that some of the impact generated by the case studies is not captured by the HACT social value bank. For instance, research has shown that the homeless population has an increased tendency for missed health appointments relative to the non-homeless population (Williamson, 2024). Our case studies support individuals to attend GP appointments, but HACT values are not available for this intervention. As such, there may be some underestimation of impact within the case studies.

This raises a general point that in mapping outcomes captured by the case study's evaluation and monitoring processes to established cost-benefit methodologies, there is by necessity some outcomes that cannot be mapped as they are either not yet quantified by established methodologies or are idiosyncratic to the case study. This is an inherent challenge in cost-benefit analysis and is a reason why service evaluations often combine quantitative measures with qualitative insight. Future research could seek to utilise the insight provided by housing support providers internal data collection to supplement and refine cost-benefit methodologies.

Calculation of net benefit. Consequently, the net benefit is monetary value assigned to the impact minus the costs of delivery. This is provided as both a net benefit and a ratio of costs to impact.

ANNEX 3: Avoided Costs Estimates

Avoided costs are those costs that would not be incurred by the state if a 'bad' outcome was avoided e.g. if someone homeless and living on the streets moves into settled accommodation there are no longer homelessness service costs, reduced health spend and lower criminal justice costs, etc. similarly keeping someone out of hospital and in better more appropriate accommodation saves on delayed discharges, risk of falls and trips, among other things. While this is intuitive, actually moving to an operational consensus figure is much more difficult: to what extent do you simplify complex reality (e.g. the level of complex needs a client has), how do you calibrate the cost in terms of duration, for example, does it always make sense to take an annual figures or are some costs inherently more temporary and one-off? These and other challenges or assumptions have to be made explicit, but we may in some case find it hard.

It can be difficult to follow the literature in the area of housing support because for instance relevant legislation and hence practice may be substantively different in England where most research is conducted, which has impacts on cost. It is also difficult because we do not always find sufficient detail in the approach taken to have confidence in it. Often, we are simply not comparing apples and apples. However, this can be a matter of judgment. In the main paper we make the case for using Homes England avoided cost estimates in the Hanover case study

For the two case studies we initially identified three different potential avoided costs for each example. These are further discussed below, and we would welcome feedback from the RAG on their quality and accuracy. In the actual analysis in section 4 of the paper we have chosennot to use any of the ones mentioned below but instead in the case of Hanover we applied the Homes England avoided costs approach from their recent study; whole sticking with HACT social impact value analysis to capture wellbeing benefits in the Frontline Fife study. Both represent trade-offs between the kind of data generated and accessible in the time frame, and the actual activity carried out in each case study as against the quality of avoided cost measures available. We want to assess just how useful and partial these avoided cost measures really are. What is clear is that it would be double counting to include both avoided costs measures and the HACT exchequer benefits in our Frontline Fife case. For the present we have just used the HACT measures.

Frontline Fife

The Centre for Homelessness Impact Guidance on economic evaluation (2024) evidence considerable variation in the four main studies they use to assess the avoided cost of moving out of rough sleeping and also moving form TA to settled accommodation. Generally speaking, for common prices (2023) the York (Pleace and Culhane, 2016)[7] measures are significantly higher than other studies by MHCLG (2020)[8], Bramley et al (2015)[9] and Johnson et al (2022)[10]. The latter three are more clustered. This is in part down to underlying methods, the distribution of simple to more complex needs, and small sample sizes.

We found that none of the available measure captured the avoided cost of temporary accommodation sufficiently well to fit our needs. The costs relating to avoidance of health care usage are hamstrung by the absence of consistent compatible Scottish data to undertake the BRE research on the cost housing health hazards that have been undertaken in the rest of the UK (see also forthcoming research by Boyd, et al for Scottish Futures Trust/Public Health Scotland)[11].

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7   Pleace, N and Culhane, D (2016) Better than Cure? Crisis: London/University of York.
8   MHCLG (2020) Understanding the Multiple Vulnerabilities, Support Needs and Experiences of People who Sleep Rough in England: Initial findings from the Rough Sleeping Questionnaire.
9   Bramley, G et al (2015) Hard Edges: Mapping Severe and Multiple Disadvantage England. Lankelly Chase Foundation.
10   Johnson, S et al (2022) Scotland's Housing First Pathfinder Evaluation: Final Report. Heriot-Watt University/
11   Boyd, K, Jaiswal, N, Manca, F, James, G and Gibb, K (forthcoming) Housing Quality and Health: A Cost Consequences Analysis. SFT & PHS. School of Health & Wellbeing, University of Glasgow.

- **Avoidance of a homelessness presentation** - Imogen Blood Associates et al (2023)[12] report the (2019 prices[13]) London cost of presenting as homeless varied from **£900-£11,500**, depending on duty owed. They also quote York research estimating the cost of the homeless journey from presentation to settled accommodation via TA, as being **£43,606 in 2022 prices**. CHI also quote lower figures (2023 prices) for MHCLG (**£7,859 for low need and £17,244 for high need**), Bramley et al (**£21,277**) and Johnson et al (**£25,818**) Cyrenians research for 2024 looking at Edinburgh argued that this user journey costs averaged in 2023 prices was **£23,265** (noting that the cost of tenancy sustainment is more like **£2,910**).

- Avoidance of temporary accommodation usage by sustaining a social housing tenancy. Earlier research for Social Bite in Scotland suggested (2015) suggested a range in Scotland between **£40-£1300.** This is not sufficiently explained in detail to be adaptable for our purposes e.g. broken down to the average individual in TA so we will not use an estimate for the cost of TA here.

- Avoidance of health service usage related to **excess cold**. Frontline Fife give benefits support which in some cases helps them maintain a suitable level of thermal comfort. This could have some cost avoidance in terms of avoiding health related issues and service usage. BRE (2021) for England per dwelling said that the cost to NHS of excess cold in homes was **£7,119**[14].

Hanover

For reasons discussed in the main body of the report, we found that the recent Homes England work does a better and more closely aligned analysis than the avoided costs found elsewhere in the literature (examples outlined below). We also contend that in the case the English data within a cost benefit analysis is defensible.

- Avoidance/delay of care home usage – Imogen Blood Associates et al (2023) estimate the weekly cost (2022 prices) of **residential care for over 65s at £830 per week and £996 per week for nursing care**.

- **Prevention of falls** from provision of support and appropriate accommodation – evidence from NICE in 2015 said that falls in England were costing **£2,600 per person per annum** in 2016-17 (and current prices only i.e. need to inflate); 77% of which applied to people over 65. Referred to in csp.org.uk. BRE (2021)[15] study suggested a range of falls costs to the NHS for England per dwelling in 2018 prices: **£627 for falls in bathroom, £854 for fall on the level, £1,242 for falls on stairs, £1,267 for falls between levels**.

- **Avoided costs of delayed hospital discharge**. For residents that may need to use hospital services their discharge will be expedited relative to a counterfactual where their housing is inadequate for their needs Kings Fund estimate of delayed hospital discharge of **£395 per person per night** – a study from 2017-18 updated to 2022-23 prices[16].

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12   Imogen Blood Associates, Goldup, M Pleace, N and Chalers-Page, S (2023) 'Ultimately others services finish at 5pm': Research into the supported housing sector's impact on homelessness prevention, health and wellbeing. NHF: London.
13   We can use the bank of England inflation calculator to fix prices in March 2025
14   BRE (2021) The cost of poor housing in England Briefing paper (Garrett, H et al)
15   BRE (2021) ibid
16   Maguire, D (30 March 2023) Kings Fund blog 'The hidden problems behind delayed discharge and their costs'.