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Report to National Housing Federation

Strengthening the Case: the cost consequences

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Chapter 1 – Overview of the Research

1.1 Objectives of the Research

This research was designed to produce informed estimates in relation to a number of factors relevant to the current debate on the future of supported housing in England.

In particular the research was aimed at producing an estimate of :

- the current need for different types of supported housing for working-age people
- any shortfall in levels of provision that this indicates
- a projection of these estimates into the future, taking into account current trends
- an indicative cost of meeting the shortfall in provision
- a consequential cost to the public purse if nothing is done to meet that shortfall

Overall the results of the research would allow conclusions to be drawn about the cost consequences of any shortfall in the provision of supported housing, and how this will change if no action is taken. It does this essentially by comparing the estimated cost of meeting the gap with the cost consequences of taking no action to do so.

Beyond the immediate demand to produce these conclusions there was also the aspiration that the methodology should be made sufficiently robust to have a longer shelf-life and inform the need for strategic needs assessments for supported housing both centrally and locally in the future. To assist with this aspiration, alongside this report, a modelling tool has been produced for the National Housing Federation (NHF) which allows the principal assumptions made in the calculations to be varied according to a number of scenarios and to observe the impact on the bottom-line conclusions. At the moment this is not able to deliver results at a local level but could do so with additional work.

It should be stressed as indicated above that the research only relates to the working-age population and therefore does not include any estimates of need or provision for those over 65. This is important because as the recently published *Supported Accommodation Review* report showed, the majority of supported housing provision is in fact intended for those who are over-65 years old. On the other hand a basic analysis of the *Continuous Recording of Lettings* (CORE) Returns made by Registered Providers shows in fact that “Housing for Older People” (as it is defined in CORE) represents a minority of lettings in any one year.

The figures from 2014-15 are summarised below

Scheme Type	Number of Lettings in the Year
Foyer	4586
Direct Access	14105
Supported Housing	49282
Housing for Older People	41842

Table 1 – Breakdown of CORE Lettings by Scheme Type 2014-15

1.2 Background to the Research

This research is a follow-on to the report *Supported Housing : Understanding Need and Supply* that was published by the NHF in October 2015. The original research was undertaken by Mark Goldup on behalf of Sitra/Homeless Link, as is this new research using a refined and extended version of the same underpinning methodology.

The previous work sought to estimate the need for supported housing and the gap in current provision as single undifferentiated figures at a national level (England only). The results in summary were that the gap in provision in 2015/16 was estimated to be 15,600 places and this was likely to grow to 30,000 places by 2019/20.

It is important to point out at the beginning that this is not the same as saying that either 15,600 or 30,000 new units of supported housing are required. Rather it is saying for example that in 2015/16 15,600 people in need of supported housing were unable to find a place.

The underpinning methodology behind the original and the current research is to compare an estimate of the numbers of people presenting in need in a particular year with an estimate of the number of ***available*** places. In technical terms it is an analysis of "flows" and not an analysis of "stocks".

This can best be illustrated by the following simple example.

Imagine there are 100,000 supported housing units operational in a particular year and 100,000 people have a need for supported housing in that year. If only 25% of the units come vacant in that year because the remainder were in fact occupied by the same person throughout the year, then 75,000 people will not get the service that they need, and the gap in provision would be described as 75,000 places.

There were a number of ways in which it was felt useful to validate, improve, and build on the previous research, in order to more effectively and authoritatively inform current considerations of future policy in relation to supported housing, including:

- Ensuring that the demand from all relevant need groups have been included in the estimates
- Ensuring that the most current data sources have been used to inform the estimates
- Undertaking a full review of the rationale behind the way in which the various data sources were used
- Involving a range of external experts in a review of the methodology and assumptions made within the model

More significantly however the new research sought to differentiate the need for, and supply of, different types of supported housing rather than produce single national undifferentiated figures. This was itself a necessary condition for achieving the principal objective of the new research which was to translate the gap in provision into an estimate of the cost consequences of that gap.

1.3 Limitations of the Research

A health warning should always be given to any pretension to precision in terms of numbers of people needing a service, and before setting out the detail of the conclusions reached it is important to acknowledge a number of limitations, within which the research operated, when interpreting the results.

Firstly, and most importantly, it remains true that nowhere is the need for supported housing, as opposed to other potential service interventions, routinely and consistently measured or monitored. This does not have to be the case, and the methodology set out here could be more accurately populated with numbers if demand at key junctures in people's pathways was consistently monitored. In the absence of this absolute data a number of assumptions have to be made within the model. A full explanation of the evidence behind these assumptions is transparently set out in the Technical Appendix accompanying this Report.

The second key issue for this research is whether there is a definition of supported housing which can meaningfully separate such interventions from other forms of assistance that help vulnerable people secure and maintain appropriate and affordable housing. As detailed in the findings we believe that we have found a sufficiently robust definition for the purposes of the research. Supported housing is certainly a term that covers a wide range of different types of services, and much debate can be had about the relative value of these different approaches. However it is not a part of the brief behind this research to make any such judgements. Instead we have sought to base our conclusions on an analysis of the current usage of supported housing – both in terms of the current services provided and the groups making use of them.

An analysis of current usage is however hindered by the lack of consistent national monitoring of what is being delivered. The last time a consistent monitoring system was even partially in place was in 2010/11 under the old *Supporting People* regime, when new service episodes funded by local *Supporting People* budgets were recorded through the *Client Record Form (CRF)* system. This is a very rich data source, and the research makes extensive use of it, as well as the more limited CORE data (of which the most recent release is the 2014-15 data set). It has to be acknowledged however that the major source of the data used in this research is now 5-6 years out of date, although it could be argued that the broad patterns of service usage have not changed much in that time.

Thirdly, it should be noted that the ambition behind the assessment of the cost consequences resulting from the shortfall in supported housing is itself limited to the following.

- the costs of the alternative care or support that someone might receive if no supported housing provision is available for them
- or the consequential additional "event costs" if instead they end up homeless or living in accommodation without the support that they need.

It is acknowledged that this does not constitute a full-blown cost benefit analysis.

Every attempt however has been made to find a logical, and where possible evidence-based, basis for making the modelling assumptions that produce the results in this report. Great care has been taken to set the methodology used out in a full and transparent way in the associated Technical Appendix, and we welcome any challenge or suggested improvements in interpretation to any aspect of this, as this can only improve the ultimate accuracy of the conclusions.

In the meantime however we are confident that the results give as close an indication of the broad scale of the levels of need and the cost consequences of the shortfall in provision as is currently possible.

1.4 Overview of the Methodology.

The research was based on the following steps:

- Clarifying what supported housing is for the purposes of this research and the establishment of a basic and simplified typology of service types.

- Establishing a comprehensive list of circumstances in which supported housing, as defined, has a contribution to make to meeting people's needs for housing and support. In line with the overall "flows" approach the "circumstances" are defined in line with an *event* in someone's pathway rather than rates of prevalence for particular conditions etc. This leads to the formation of what are referred to as the ""at risk" groups".

- Estimating the size of these "at risk" groups in the base year (2015/16)

- Agreeing what is a reasonable proportion of each of these "at-risk groups" who would benefit from supported housing at that specific juncture in their pathway and what type of supported housing this should be. These are referred to as the "Populations in Need".

- Calculating the estimated number of working-age supported housing lettings in the base year by type and thereby identifying the gaps in provision through comparison to the numbers in need in that year already identified.

- Using current trends in relation to the size of the "at risk" groups over the previous 5 years and the availability of supported housing lettings to predict how the gap is likely to change 5 years on from the base year

- Agreeing what is likely to happen to the people who are not able to secure a supported housing place – in particular
    - what proportion are most likely to remain in/enter some form of "enhanced" care,
    - what proportion are most likely to end up homeless,
    - what proportion are most likely to find other accommodation but without the support they require,
    - and what proportion may be able to find their own satisfactory solution with the help of friends, family or others.

- Calculating the revenue cost of meeting the identified gap in supported housing using cost benchmarks for different types of service.

- Calculating the consequential cost of the identified gap in supported housing provision taking into account the proportions of people in the different "at risk" groups who are assumed will end up in enhanced care, homeless or in accommodation without the necessary support.

This methodology (except for the last 3 steps) follows the model that was originally developed for the earlier piece of work published by the NHF in 2015, although the actual detail of the calculations used has changed in a number of ways as every step has been validated, checked and updated..

The last 3 steps however are new, and in some important ways the methodology used to undertake these changed during the course of the research. The most important developments are highlighted below.

It was realised that action to meet the shortfall in supported housing provision should not necessarily be restricted to simply opening new supported housing units. In the real world a number of strategic choices would be open to public bodies – all of which could have an impact on the shortfall. We have decided to include 3 options in the model produced. Firstly, this would be action to prevent people becoming homeless in the first place and thereby potentially reducing the demand for supported housing, which is closely associated with levels of homelessness. Secondly, this would be action to improve turnover in short to medium stay supported housing from such initiatives as *Social Lettings Agencies* or other ways of improving access to affordable rented accommodation. There is evidence that turnover is decreasing due to the pressure of the external housing market with people are staying in supported housing longer than their support needs alone would justify. This has a major impact on the availability of places.

We believe that the options outlined in the above paragraph are practical solutions that should be part of the mix. However as they require investment themselves (which we include in the costs estimations) their potential should be treated with caution, as improvement in both areas will require significant work.

Only once the impact of these two options is estimated does the modelling identify and cost the need for additional supported housing. This does not detract from the fact, however, that if the gap identified in the research is to be met cost-effectively then some new supported housing provision will be needed.

1.5 Data Sources Used

A summary of the data sources used at different stages of the research are set out below. More detail is supplied in the Technical Appendix.

Reference to an *Expert Panel* below refers to a group of people from external agencies and provider bodies recruited for the project to provide comment on specific assumptions within the model, drawing on their own areas of expertise

Research Stage	Data Used
Clarifying what supported housing is and the establishment of a typology of service types.	Definition and typology reasons proposed and consulted upon with the *Expert Panel*. Typology checked against the potential to produce data on lettings by these categories from CORE.
Establishing a comprehensive list of circumstances in which supported housing, as defined, has a contribution to make to meeting people's needs for housing and support.	Initial list proposed and checked through analysis of CRF data – particularly using *homelessness status* and *previous accommodation type*.
Estimating the size of these "at risk" groups in the base year (2015/16)	Using a combination of published data (including Homelessness Data, Mental

Research Stage	Data Used
	Health Activity Statistics, Learning Disability Census, Short and Long Term Services Return (SALT), Prison Statistics, Asylum Statistics, Drug Treatment Monitoring System (DTMS) Reports), survey data (including Women's Aid Survey and Carers Survey), and published research (including research on people leaving prison and youth homelessness). Homelessness Multiplier and Overlap Deflators calculated using analysis of CRF data.
Coming to an agreement on what is a reasonable proportion of each of these "at risk" groups who would benefit from supported housing.	Proposals based on analysis of CRF and then consulted on with the *Expert Panel*.
Calculating the estimated number of working-age supported housing lettings in the base year by type and thereby identifying the gaps in provision through comparison to the numbers in need.	Analysis of CORE data for 2014-15. Multiplier then calculated by using comparison between numbers of lettings as recorded in the CRF and CORE between 2007 and 2011.
Using current trends in relation to the size of the "at risk" groups over the previous 5 years and the availability of supported housing lettings to predict how the gap is likely to change in 5 and 10 years' time from the base year.	In relation to the "at risk" groups, where available using time-series data from published data sources already mentioned, and otherwise population projections for working age or sub-set of working age population. In relation to 10 year projections we only used demographics. Lettings trends used analysis of CORE data from 2011 to 2015 plus consultation with *Expert Panel*.
Agreeing what is likely to happen to the people who are not able to secure a supported housing place.	Proposals made with some reference to the work done by Capgemini in 2009 – *Research into the financial benefits of the Supporting People programme* (but this is not directly transferable), then consulted upon with *Expert Panel*.
Calculating the cost of meeting the identified gap in supported housing through 3 different policy measures.	The cost of "prevention action" is based on the research – "*Better than Cure – testing the case for Enhanced Prevention of Single Homelessness in England*" (2016) The cost of action to improve turnover is based on the Crisis report "*Social Lettings Agencies: How to plan, develop, launch and sustain an income-generating SLA*" (2014)

Research Stage	Data Used
	The cost of additional supported housing is based on an analysis of a complete support cost data set for another part of the UK (where Supporting People is still current). Average housing costs identified through the *Supported Accommodation Review*, the average levels of Local Housing Allowance (LHA) and the balance of self-contained as opposed to shared lettings as recorded in CORE.
Calculating the consequential cost of the identified gap in supported housing.	The enhanced care costs are based on the published *Health and Social Care Unit Costs (2015-16).* The additional event costs for homelessness are based on figures used in "*Better than Cure – testing the case for Enhanced Prevention of Single Homelessness in England*", but as interpreted by another piece of American research – "*Public Service Reductions Associated with the Placement of Homeless Persons with Severe Mental Illness*". The additional event costs for people ending up in accommodation but without the necessary support is taken from a re-interpretation of data contained in *Research into the financial benefits of the Supporting People programme*

We are particularly grateful for the input of the members of the Expert Panel, and also for additional technical commentary and advice received from Nicholas Pleace, at the University of York.

1.6 Outputs from the research

- A full report summarising the process and the findings
- An executive summary
- A modelling tool that allows anyone who has it to model the impact of changes in assumptions on the key variables
- A full technical appendix open to challenge and improvement

Chapter 2. Findings from the Research

2.1 Definition and Typology of Supported Housing

Essentially supported housing involves a combined package of housing and support being offered. This can be delivered in a number of ways and in a number of different circumstances. Certainly the form that the housing takes is not critical. The key thing, however, is that the support offered has to be a condition of the *overall offer* (this is not the same as being a condition of the *tenancy*, as in the old Transitional Housing Benefit rules). It can, we believe, be provided separately in a contractual sense from the housing and still be regarded as supported housing.

The primary challenge is to establish and agree why and when a person might need specifically designated supported housing as opposed to better access to mainstream housing with other support services as and when necessary. To put it another way – what is the distinction between “Supported Housing” and “Floating Support” when both involve the provision of what was previously referred to as “housing-related support”. Being able to make this distinction is critical to the process used in this research to establish the size of the “population in need” of supported housing from within the different “at risk” groups.

We would suggest that in Supported Housing the support package involves a degree of regularity in contact, is relatively ongoing and sufficiently complex in terms of the range of issues involved. This seems sufficiently clear to continue using the supported housing / floating support distinction as the basis for the calculation of the population in need of supported housing using the CRF, which classified housing-related support service interventions broadly in this way.

The other side of the proposed definition is also interesting. What counts as “housing” in this combined package is also open to qualification. Basically we would say that the accommodation that is provided as an emergency or crisis intervention, where residence is renewed on a week by week or a night by night basis does not count. The “housing” has to be 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.

This consideration led us to consider that lettings referred to as “Direct Access” should not count as Supported Housing lettings, and should not be included in any analysis carried out. However the sheer number categorised in this way gave grounds to doubt as to whether this was appropriate. This is illustrated by the figures contained in Table 1, but even more so by the analysis of new service episodes in the 2010-11 CRF, where 25,363 of 119,778 lettings were defined as within Direct Access services (22%).

Luckily CORE contains an additional flag which identifies *Intended Length of Stay* and has a category of *Very Short Stay*, which is defined as a stay of up to month. This represented 8% of those lettings defined as Direct Access and therefore in some subsequent calculations we did on the CRF we ignored 8% of the Direct Access total in that data set, although in some cases it was more practical to do the analysis on lettings excluding those categorised as “Direct Access”.

In terms of typology we decided on the following *Service Types*:

- Refuge Accommodation
- Short or Medium Term housing with support that is intended to help people acquire the skills and confidence to manage independently, and with high levels of staff cover for purposes of ensuring resident safety (probably some form of 24 Hour Cover)
- Short or Medium Term housing with support that is intended to help people acquire the skills and confidence to manage independently, with regular levels of staff input but no need for 24 hour staff supervision or availability
- Long-term “supportive environment” that maximises individual independence, but with high levels of staff cover for the purposes of ensuring resident safety (probably some form of 24 hour cover)
- Long Term “supportive environment” that maximises individual independence, with regular levels of staff input but no need for 24 hour staff supervision or availability.

The major distinction in this a combination of intended length of stay and level of support provided. This is in line with some historic systems for categorising supported housing, but did also enable a break-down in the supply of available supported housing lettings by these categories, as CORE flags all supported housing lettings by *length of stay* and *level of support* category. For reasons of protecting confidentiality the *End User Licence* data set does not separately identify Refuge provision, but the CRF data does and a credible read-across from this was feasible.

In subsequent analysis and reporting these service types are identified in the following way

- **Refuge**
- **SSHS** (Short/Medium Stay - High Support)
- **SSLS** (Short/Medium Stay – Low/medium Support)
- **LSHS** (Long Stay - High Support)
- **LSLS** (Long Stay - Low/Medium Support)

2.2 Who uses Supported Housing?

The most striking finding from the analysis is the consistency in the numbers of people who were regarded as homeless at the point at which they moved into supported housing. The analysis from the 2010-11 CRF produced the following results.

Homeless	Numbers of Lettings
Not Homeless	20,315
Statutory Homeless and owed a main duty	19,768
Statutory Homeless but not owed a main duty	7,767
Other Homeless	26,967
Not Known	4,196

Table 2 – Homelessness Status of people receiving a supported housing service from the Client Record Form 2010/11

These figures ignore lettings categorised as "Direct Access" as it is difficult to account for the estimated proportion that could not be regarded as "housing". Ignoring the Not Knowns this means that 73% of lettings were to people regarded as homeless at that point.

The results from the more recent CORE data were similar in proportional terms, where in 2014-15, 70% of supported housing lettings were to people categorised as homeless.

What is meant by the term "homeless" here is actually open to some interpretation. In some cases the label more properly applies to something that happened some time before the person actually moved into supported housing, and in some cases it reflects the fact that they would have become homeless if a supported housing place had not been found for them first.

The group where this confusion is the most obvious is people experiencing domestic abuse. People moving into a Refuge were more or less equally divided between those who were described as homeless and those described as not – it is probably that this did not in many cases actually represent different circumstances.

Leaving this group aside however it is reasonable to conclude that homelessness or at least the risk of homelessness in some shape or form plays an important part in the majority of people's pathway into supported housing. Of equal interest however is the indication that for 25-30% of people moving into supported housing it is not primarily because they have experienced homelessness. This suggests that in such cases the decision to move into supported housing was a planned one and that there were reasons as to why their existing accommodation was considered no longer the most suitable by the individual or by agencies working with them. In establishing the "at risk" groups for this research we sought reasons as to why this may be the case – examples were the fact that the home environment might be undermining their ability to benefit from treatment – for substance misuse or mental health problems, or that they could not manage in their existing accommodation without the additional support that supported housing provides.

The other significant piece of analysis carried out to help understand the way that supported housing was being used was an examination of the type of accommodation occupied by the client immediately prior to moving into the supported housing service.

Previous Accommodation Type	Numbers Coming from this Accommodation Type	% of the total
Independent Housing	12,632	16%
Accommodation with Family	16,032	20%
Accommodation with Friends	9,358	12%
Other Temporary Accommodation	6,843	9%
Prison or Approved Probation Hostel	3,250	4%
Hospital	1,577	2%
Registered Care Home	579	1%
Children's Home / Foster Care	909	1%
Asylum Support Accommodation	935	1%
Other Supported Accommodation	15,552	20%
Rough Sleeping	7,881	10%
Other or Not Known	2,889	4%

Table 3 – Summary of Accommodation Type immediately before moving into supported housing from Client Record Form 2010/11

This analysis was used in establishing a number of the “at risk” groups, based on where they were coming from prior to moving into supported housing.

2.3 Establishment of “At Risk” Groups

Using the analysis of the CRF we established the full list of “at risk” groups. These essentially fell into 5 categories.

- People experiencing domestic abuse and in need of refuge
- People leaving an institutional-type setting such as prison, inpatient care, asylum accommodation foster or family care, care home etc.
- People experiencing homelessness for some other reason
- People moving out of their existing accommodation in a planned way because it was no longer suitable
- People who needed to move from one supported housing service to another

CRF and CORE data also identified that a significant proportion of supported housing lettings were in fact to people whose previous accommodation was also supported housing. In the 2010/11 Client Record Form data this accounted for 13% of lettings and in the 2014-15 CORE data 16% of lettings, and was true (to differing extents) for all supported housing service types. This could be for any number of reasons but undoubtedly in some cases would be for reasons that reflect the specific support need of the individual or household. In other circumstances it could reflect the failure of the original placement – with people leaving in an unplanned way before re-presenting themselves to a new placement. To an extent this would be supported by the evidence that some people revolve around homelessness provision with a series of failed placements before hopefully finding the stability and greater independence that they need. We have made prudent assumptions about how to deal with this that are set out in the Technical Appendix, but we clearly have to include an element of legitimate demand from this source in our calculations. This then introduces the issue as to how to cost the consequences of people not being able to move on from their first supported housing place. This is complex but we do make certain assumptions in the model and the net cost of this is included in the overall cost of ‘not taking action’ to meet the gap in supported housing.

The full list of “At Risk” Groups is set out in the Technical Appendix.

2.4 Levels of Need for Supported Housing

The overall Population in Need for Supported Housing in 2015-16 was calculated as follows (using the 5 categories as set out in Section 2.3).

Category of Population in Need	Estimate of Numbers in Need in 2015/16
People experiencing domestic abuse	16,409
People leaving institutional care	31,880
People homeless for other reasons	42,130

Category of Population in Need	Estimate of Numbers in Need in 2015/16
People not homeless as such but in need of alternative housing with support	11,898
People needing to move from one supported housing service to another	11,813
TOTAL	**114,130**

Table 4 – Summary of the Population in Need for Supported Housing 2015-16

This was split across the 5 supported housing types as follows

Service Type	Estimate of Need
Refuge	17,890
SSHS	14,589
SSLS	59,489
LSHS	10,660
LSLS	11,507

Table 5 – Summary of the Population in Need for Supported Housing 2015-16

2.5 Available Places

The analysis of lettings by service type in the CORE 2014-15 data set produced the following results:

Service Type	Numbers of Lettings	% of Total
SSHS	11,463	18.39%
SSLS	46,860	75.2%
LSHS	1,424	2.29%
LSLS	2,569	4.12%

Table 6 - Summary of Supported Housing Lettings by Service Type from CORE 2014-15

Initially we had hoped to do an analysis that was able to link the number and allocation of lettings to service type direct to the specific “at-risk” groups. There is data collected through CORE that would have allowed us to do this, but most of the relevant data items were withheld from the version made available on the *End User Licence* from the UK Data Archive, on the grounds that they could potentially be used to identify the individuals to which they referred.

A meaningful sub-analysis that we were able to do was to work out the proportions of service type for the lettings, broken down by whether the tenant was homeless at the point at which they entered the service. The results of this analysis were as follows:

Service Type	% of lettings for people homeless prior to entering the service	% of lettings for people not homeless prior to entering the service
SSHS	21.17%	12.01%
SSLS	76.41%	72.47%
LSHS	0.35%	6.73%
LSLS	2.06%	8.87%

Table 7- Proportion of Supported Housing Lettings by Service Type and Homeless Status from CORE 2014-15

This table illustrates that there is a link between service type and whether the service user is homeless, and it is not an entirely unexpected pattern that provision for people experiencing homelessness is mostly short or medium stay. On the other hand it might be slightly less expected that the majority of lettings are clearly currently Short to Medium Stay Low to Medium Support.

CORE only monitors supported lettings made by Registered Providers (Registered Social Landlords and Local Authorities). A significant proportion of supported housing however is provided by voluntary organisations and private providers that are therefore not included in CORE.

In order to estimate a multiplier to apply to the number of lettings recorded in CORE, we compared the total number recorded in CORE and the CRF over 4 years between 2007 and 2011, and calculated a differential multiplier to apply to the different service types using the relative proportion of people who were homeless at the point of entry and those that were not, for each service type.

The CORE data was for 2014-15 but the base year we are looking to use was 2015-16. We therefore also had to estimate the likely change in a year, based on an analysis of previous trends. Since 2011 this has been going down by a rate of 2.2% per year and we assumed this would have continued into 2015-16.

Finally CORE did not allow us to identify separately Refuge provision, whereas the CRF did. Over 4 years (2007-2011) we calculated that lettings to Refuges represented an average of 15% of the CRF lettings and this was applied to the lettings total already calculated to estimate the number of Refuge Lettings in the year, which were assumed to be a sub-set of the SSLS lettings total, and therefore deducted from this total.

All of this produced a final estimation of the available places in 2015-16 as follows:

Service Type	Number of Available Places in 2015-16
Refuge	14,616
SSHS	18,296
SSLS	57,769
LSHS	3,350
LSLS	3,412

Table 8 – Estimation of number of available places by Service Type 2015/15

2.6 Estimate of the Gap in Provision of Supported Housing

Putting these estimates together we calculated that the overall gap in the provision of supported housing places in 2015-16 was **16,692** places.

This is broken down by Service Type 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

Table 9 – Estimate of the shortfall in availability of supported housing provision by Service Type 2015-16 (calculated)

This indicates that the main gap in current provision is for long-stay services. The exact figures should be interpreted with caution – as the number of assumptions made in allocating need and supply to service type mean that at this level of detail the figures can only safely indicate broad trends. We believe that more confidence can be put in the overall level of the gap rather than that for individual service types.

It is important to note that this is about 1,000 places different to the previous total produced in October 2015. We take this as reassuring that it is broadly correct.

Projecting this forwards to 2020-21 we believe that the gap in provision is likely to grow to **35,165** places.

Where possible we make use of trend analysis over the last 4-5 years to predict what is likely to happen in the next 5. Generally the growing homelessness crisis over recent years has an impact on both the demand for supported housing and the availability of places to meet that demand. As has already been stated the link between homelessness and supported housing makes it reasonable to assume that demand will increase as homelessness numbers continue to rise. The pressures are such that the increasing emphasis on prevention also has an impact, with the rate of increase in people referred to supported housing as a preventative measure having risen by 9% per year since 2010/11, as recorded in DCLG's *Prevention and Relief Tables*.

At the same time the difficult housing market and the shortage of affordable accommodation has had an impact on the length of time that people spend in supported housing after they are ready to move on. This has been identified by the recent large-scale surveys undertaken by Homeless Link and Women's Aid and in evidence provided for this research by a leading supported housing provider. This provider estimated that average lengths of stay in supported housing had increased by 30% since 2012 and that the rate of increase was itself now increasing. On this basis it does not seem unreasonable to assume that the downwards trend in lettings of 2.2% per year already noted will continue for the next 5 years as well. In fact this feels like a very conservative assumption.

So with increasing demand and reducing supply, the gap will inevitably grow unless action is taken to address the gap.

The projected figures for 2020/21 are therefore

Service Type	Need for Supported Housing	Number of Available Places	Gap
Refuge	18,241	13,379	4,862
SSHS	15,770	16,746	-976
SSLS	69,101	52,876	16,225
LSHS	9,244	3,066	6,178
LSLS	12,000	3,123	8,877
TOTAL	**124,356**	**89,190**	**35,166**

Table 10 – Estimates of the shortfall in availability of supported housing provision by Service Type 2020-21

The increase in the gap is across the board, but particularly noticeable in relation to low to medium support services. This is probably largely because the main driver for increased need is through the projected increase in homelessness levels.

2.7 The cost of meeting the gap in the provision of Supported Housing

We have calculated what it would cost to meet the gap in supported housing provision as it has been estimated in 2015-16.

We have modelled three complementary ways of investing in new provision to meet the identified gap in supported housing provision. These are:

- Investing in more homelessness prevention services to reduce the demand for supported housing
- Investing in social lettings agencies or similar initiatives in order to improve throughput in short-stay supported housing schemes.
- Investing in new supported housing units.

For the purposes of this report we have made certain modelling assumptions.

These are that:-

- The excess of demand over supply can be reduced in relation to short-stay low/medium support (SSLS) services by 10% and in relation to short stay high support (SSHS) services by 5% through investment in effective prevention measures
- Availability can be increased by improving turnover in all short-stay services by 0.5 months on average.

These are deliberately conservative in their scope. It is possible to imagine that this performance could easily be exceeded if the right investment is made.

These initiatives would, however, reduce the gap in supported housing by the following amounts

Policy Initiative	Impact on the Gap in Provision
Investing in more prevention services	6,678
Investing in improving turnover	6,715

Table 11 – Summary of the impact on the projected shortfall in supported housing places by investing in homelessness prevention and improved move-on

This reduces the gap to a net figure of **3,299** places in total i.e. the number needing new supported housing provision in order to reduce the gap to zero (NB again note that this si not the same as saying an additional 3,299 units).

We estimate that the overall additional cost of taking all these actions would be as follows:

Cost Element	Estimated Cost
Assistance with improving throughput	£4,069,290
Investment in Prevention	£14,952,826
New Supported Housing	£109,150,810
TOTAL	**£128,172,926**

Table 12 – Summary of Additional Costs involved in meeting the projected shortfall in supported housing provision

2.8 *Cost Consequences* of not meeting the Gap.

There are 4 elements that we have calculated in terms of cost consequences.

- the additional event costs if someone is homeless rather than in supported housing from increased interaction with substance misuse services, mental health services, other health services and criminal justice agencies

- the additional event costs if someone ends up living in accommodation without the support that they need

- the additional costs of having to stay in hospital, care homes or foster care because there is no supported housing place available when it is needed.

1.1.1.

- the additional costs of not being able to move from more expensive to cheaper forms of supported housing

The full detail of how these estimates are calculated are set out in the Technical Appendix, but a summary is provided below.

The additional costs of enhanced care are based on the published PSSRU Unit Costs of Health and Social Care for 2015-16.

The additional event costs associated with homelessness are based on the research published by Nicholas Pleace and Denis Culhane in "*Better than Cure – testing the case for Enhanced Prevention of Single Homelessness in England*" (2016), but as interpreted by another piece of American research by Denis Culhane, Stephen Metraux and Trevor Hadley – "*Public Service Reductions Associated with the Placement of Homeless Persons with Severe Mental Illness"* (2002).

The additional event costs associated with living in accommodation without the required support is based on a reworking and uprating of the estimates made in *Research into the financial benefits of the Supporting People programme* as published in 2009.

We also allow for the net additional costs of people not being able to move from one supported housing service to another – this is a net cost estimate, because in some instances people would be moving from a less expensive to a more expensive one and in some cases the other way around.

Every attempt has been made to take a conservative approach to how the numbers have been used.

The calculated cost consequences to the public purse in relation to the estimated gap in provision in 2015-16 are set out below

Cost Element	Estimated Cost
Extra Homelessness Event Costs	£37,270,569
Extra Housing without Support Event Costs	£20,301,263
Extra Enhanced Care costs	£293,051,471
Delays in Supported Housing	£10,040,936
TOTAL	**£360,664,239**

Table 12 – Summary of the estimated cost consequences to the public purse of the estimated gap in the availability of supported housing - 2015-16

As can be seen the estimate is that the cost consequences of doing nothing to meet the gap in supported housing would be considerably more than the cost of taking action to reduce the gap. This is by a factor of nearly three times.

The major contributor to this is the enhanced care costs of additional time spent in hospital or other forms of care as a result of the shortage of available supported housing places. In part this reflects the earlier analysis of where the gaps in provision are most obvious – the long stay schemes will tend to be for people with care needs such as mental health problems or learning disabilities, and here the alternative provision to supported housing is far more likely to be hospital or care homes. Of particular significance is the additional cost of people unable to leave psychiatric or learning disability inpatient care because there is nowhere to go when they are otherwise ready to leave.

As the gap widens so clearly does the cost consequences if no action is taken to address it, so that by 2020/21 we estimate that the cost consequences to the public purse would be as follows :

Cost Element	Estimated Cost
Extra Homelessness Event Costs	£119,913,572
Extra Housing without Support Event Costs	£139,893,221
Extra Enhanced Care costs	£390,600,424
Delays in Supported Housing	£17,409,054
TOTAL	**£667,816,271**

Table 13 – Summary of the estimated cost consequences to the public purse of the estimated gap in the availability of supported housing - 2020-21

The distribution of cost consequences shows a different pattern to that in 2015-16, with the extra enhanced care cost being less significant in proportional terms, although still increasing in absolute terms significantly. The additional "event costs" become more significant proportionally – which reflects a different balance of increase in need between those groups mostly affected by homelessness and those with care needs such as mental health problems or learning disabilities.

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.

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