



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





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# 1 Executive Summary

## 1.1 Background

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

Launched on 1 April 2003, the programme drew together and provided a strategic framework for a range of existing funding streams and services. Government has been keen to ensure and maximise the value for money and financial benefits delivered through the investment, and is revisiting this in the context of the current Comprehensive Spending Review.

This piece of research has estimated the financial benefits of the programme for a majority of the groups supported. The approach has been to consider, for each group, what the financial impact would be if SP funded services were replaced by the most appropriate positive alternatives for meeting the group's needs (i.e. the approach which would, in the absence of Supporting People, provide the highest degree of independent living).

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

- *For some clients the most appropriate alternatives would be the arrangements which they receive at the moment but without the support enabled through Supporting People.* This might mean, for example providing a homeless family with accommodation, benefits, support through Job Centre Plus and so on, but not advice on how to maintain a tenancy or access services and utilities in their new home. In these cases some financial impact arises from withdrawing the service, and any additional financial impact arises through the costs of adverse events (such as loss of tenancy) that would now be more likely to happen to the service recipient than would have been the case had SP not been withdrawn.

- *For others, the best alternatives would be arrangements which required a different, more intensive form of intervention (referred to in this report as 'escalated arrangements').* This might mean, for example, providing residential care to an older person. In these cases the financial impact arises primarily through the costs of the alternative service or intervention when compared to the cost of providing the SP service, although the effect on levels of adverse events is also a factor.

The research draws upon, and takes further forward, earlier research carried out for the then Office of the Deputy Prime Minister (ODPM) by Matrix into the benefits of the Supporting People programme [1]. While that work looked at the impacts Supporting People services had on levels of adverse events at a generalised, programme level, this new research has:

- Produced a model which compares costs of complete support packages, rather than simply analysing the benefits of Supporting People – and which does this by considering both the costs of the support packages themselves and the events which would occur when those packages were in place. (In doing this it re-uses the Matrix work on adverse events, comprehensively updated with recent data);
- Given fuller consideration to the avoided costs related to residential care alternatives; and
- Produced a financial modelling spreadsheet which will allow Government to develop the work further as and when new data or insights become available.

The research has used workshops with groups of Supporting People Lead Officers, combined with desk based investigation, to understand the full cost of packages that contain an element funded by Supporting People and the costs of a range of alternative packages. The desk based investigation was able to draw on both published material (references are in section 7) and the results of a "Call For Evidence", which had been initiated by Communities and Local Government in advance of the research commencing.

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



## 1.2 Approach

### **Client groups**

In considering the financial benefits of Supporting People services, this research project has revisited the client groups considered by the earlier research [1] in order to draw upon and update the findings of that work. In addition, the work has also considered one new client group – “Young People at Risk”. A complete list of the groups considered in this research is given in table 1.3.1, and details of standard Supporting People categories as they relate to temporary and settled accommodation are shown in the Glossary.

### **Data gathered**

Information was sought in three areas before financial modelling commenced. These were:

- i The total costs of packages that involved Supporting People services;
- ii The likely alternatives if Supporting People services were not available, and the proportions of clients who would be allocated to them if their best interests were to be served; and
- iii The impact that Supporting People services and alternatives would have in reducing adverse outcomes for the client groups.

Total cost information has been sourced from data provided at the researchers' request by Communities and Local Government, the Home Office and the Department of Work and Pensions. In many cases where full information has not been available, estimates have been used. These have been based either on calculations made with available data or discussions with groups of Supporting People Lead Officers.

The proportions of clients that would be allocated to alternatives in the absence of SP funded services were estimated through discussions with the groups of Supporting People Lead Officers, based on their judgment and experience.

For estimates of the impact that Supporting People services and alternatives would have in reducing adverse outcomes for the client groups, the earlier research [1] has been re-used. It should be noted that, while that work was validated with stakeholders to ensure that its assumptions were reasonable, the evidence base is such that they are best estimates rather than quantified certainties. As no new primary evidence has been identified to challenge the assumptions set out in the earlier research, these have been carried forward into this work. In the case of Young People at Risk, a new model has been added to those contained in the earlier research [1], and validated with the representatives of the former Social Exclusion Unit in Communities and Local Government.

### **Financial modelling**

Using the research data, a financial model was built which enabled comparison of the total costs of supporting each client group under existing arrangements with the cost that would arise if it were supported using the most appropriate alternatives. The difference, which in all cases showed the alternative to have higher costs, was considered to be the financial benefit of the Supporting People Programme.

The scope of the work has been limited to costs to which a financial value can be attributed. This means that some of the benefits from Supporting People – namely those to the users whose ability to live independently, and avoid or recover from a crisis, is improved by it – are not included in the financial figures calculated. There is, however, evidence in the literature concerning these uncoded benefits, which range from decreased fear of crime to helping with employment opportunities. Some of those uncoded benefits are listed at the start of section 1.3 and more detail is given in the main body of this report.

## **1.3 Findings**

The findings of this work are that the best overall estimate of net financial benefits from the Supporting People Programme is £2.77 billion per annum for the client groups considered (against an overall investment of £1.55 billion).

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

**Table 1.3.1 Costs and estimated net benefits per annum of Supporting People services by client group**

Client group	Cost (£m)	Net financial benefit (£m)
Women at risk of domestic violence	(59.5)	85.7
People with drug problems	(24.3)	96.3
Homeless families in settled accommodation	(28.7)	1.2
Homeless families in temporary accommodation	(25.0)	50.2
Homeless single people in settled accommodation	(147.8)	9.1
Homeless single people in temporary accommodation	(127.2)	77.2
People with learning disabilities	(405.6)	664.2
People with mental health problems	(252.5)	487.0
Offenders and those at risk of offending	(46.7)	24.9
Older people – sheltered accommodation and other	(258.7)	1,090.9
Older people – very sheltered	(31.4)	138.7
Older people – floating support	(37.8)	25.9
Young people at risk in settled accommodation	(72.6)	5.6
Young people at risk in temporary accommodation	(29.1)	10.4
<b>Total</b>	<b>(1,546.8)</b>	<b>2,767.3</b>

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

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

**Table 1.3.2 Costs and estimated net benefits per annum per 1,000 units of Supporting People services by client group**

<b>Client group</b>	<b>Cost per 1,000 units of support (£m)</b>	<b>Net financial benefit per 1,000 units of support (£m)</b>
Women at risk of domestic violence	(10.1)	14.6
People with drug problems	(6.6)	26.1
Homeless families in settled accommodation	(3.0)	0.1
Homeless families in temporary accommodation	(3.7)	7.5
Homeless single people in settled accommodation	(5.2)	0.3
Homeless single people in temporary accommodation	(8.1)	4.9
People with learning disabilities	(12.5)	20.5
People with mental health problems	(6.7)	13.0
Offenders and those at risk of offending	(7.3)	3.9
Older people – sheltered accommodation and other	(0.3)	1.4
Older people – very sheltered	(1.2)	5.1
Older people – floating support	(0.7)	0.5
Young people at risk in settled accommodation	(7.0)	0.5
Young people at risk in temporary accommodation	(8.5)	3.0

As with table 1.3.1, the findings here again indicate that, for each of the client groups considered, the costs of supporting outweigh the overall costs of not supporting. This would suggest that the withdrawal of support for these groups may create a higher cost elsewhere. In addition, the relatively higher degree of net benefits for certain client groups would also suggest that authorities may wish to treat these as higher local priorities for increasing service provision where resources are available.

Finally, in line with the approach taken in the previous research [1], we have considered and estimated the costs and savings to other services and areas of public expenditure. This is set out in the table below:

**Table 1.3.3 Estimated net benefit of Supporting People services by cost area**

<b>Costs of SP services (and associated costs)</b>	
<b>Cost of providing SP services</b>	<b>(1,546.8)</b>
Housing costs	(380.3)
Social services care	(125.2)
Benefits and Related Services	(310.7)
<b>Total of costs (costs introduced)</b>	<b>(2,363.0)</b>
Residential Care Packages	4,418.1
Homelessness	104.1
Tenancy failure costs	44.8
Health service costs	265.9
Crime costs	297.3
<b>Total of benefits (costs avoided)</b>	<b>5,130.3</b>
<b>Overall net benefit</b>	<b>2,767.3</b>

This analysis suggests that, within the overall net benefit of £2.77 billion, the removal of Supporting People services would lead to:

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

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

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

In addition, as identified by the earlier research [1] there are a range of valuable but uncosted benefits from Supporting People services which should be considered in any thinking about the broader social value of those services. These vary from client group to client group, but may include:

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

## 2. Background and approach

### 2.1 Document structure

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

### 2.2 Context and objective

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

Launched on 1 April 2003, the programme drew together and provided a strategic framework for a range of existing funding streams and services. Government has been keen to ensure and maximise the value for money and financial benefits delivered through the investment, and is revisiting this in the context of the current Comprehensive Spending Review.

The objective of this research has been to meet the aim of Communities and Local Government to further understand and capture the financial benefits provided through the investment made in housing-related support services through the Supporting People programme. In particular, it has been the purpose of the work to understand the extent to which investment in Supporting People services saves money and avoids costs elsewhere through preventing or deferring either more costly interventions to deal with events which might otherwise have been avoided (e.g. hospitalisation following a fall) or the use of more costly alternative services (e.g. residential care).

In meeting the objective, it is intended that the research should aid the development of a strategy for the Supporting People programme and inform discussions on future investment through the Comprehensive Spending Review.

## 2.3 Overall approach

### 2.3.1 Building on the earlier research

This work takes as its foundation an earlier piece of research carried out for the then ODPM by Matrix [1]. That work considered Supporting People services for a range of client groups and analysed the benefits arising from them.

The earlier research produced separate models for each of the following vulnerable groups assisted through the Supporting People programme:

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

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

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



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

### 2.3.2 Approach to the new work

This research has taken the original Matrix work and converted it into a model which additionally allows comparison of the total (rather than just Supporting People) costs of supporting each client group with the costs of supporting them under an alternative scenario that included a range of escalated alternatives.

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

- The original “older people” group has been split into three. This is intended to better reflect the different types of service provided to older people through Supporting People and, through that, the potential differences in the impact of withdrawing those services;
- Both of the homeless groups were split into those in temporary and in settled accommodation to better reflect the finding, as identified in the original Matrix work, that Supporting People services deliver different levels of benefit in these different situations;
- At the request of Communities and Local Government, new client groups were added covering Young People at Risk in both settled and temporary accommodation. In looking to expand the coverage of the Supporting People programme beyond those covered by the Matrix research, this was identified as the next highest priority for consideration given links to the Government’s strategy as set out in “Every Child Matters: Change for Children”. The work done to build a model for this group is explained in appendix B.

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

- Women escaping domestic violence
- People with drug problems
- Homeless families in settled accommodation

- Homeless families in temporary accommodation
- Homeless single people in settled accommodation
- Homeless single people in temporary accommodation
- People with learning disabilities
- People with mental health problems
- Offenders and those at risk of offending
- Older people receiving floating support
- Older people in very sheltered accommodation
- Other older people – principally those in sheltered accommodation
- Young people at risk in temporary accommodation
- Young people at risk in sheltered accommodation.

However, notwithstanding these changes, there remain some Supporting People client groups which have not been covered by the analysis.<sup>1</sup>

The original model from the Matrix work was revisited and we investigated whether any additional data or research had been carried out since 2004 which would provide a clearer evidence base for inclusion in the model. However, with one exception<sup>2</sup>, no new primary evidence has been identified which would supersede or call into questions the assumptions set out in the earlier research, and it was therefore considered reasonable to carry these assumptions forward into the new research.

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

<sup>1</sup>The client groups not covered by the analysis are people with alcohol problems, people in the "generic" category, people with HIV/AIDS, mentally disordered offenders, people with physical or sensory disabilities, refugees, rough sleepers, teenage parents, travellers and young people leaving care.

<sup>2</sup>In relation to assumptions on impact on rates of re-offending – see Appendix B for full details.

Two working assumptions have been used throughout the research:

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

Information was sought in three areas:

- i **Basic package costs:** the total costs of packages that involved Supporting People services.
- ii **Alternatives:** the likely alternatives if Supporting People services were not available, and the proportions of clients who would be allocated to them if their best interests were to be served.
- iii **Impacts:** the impact that Supporting People services and the alternatives would have in reducing adverse outcomes for the client groups.

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

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

It should be noted that some of the costs modelled accrue to individuals rather than the exchequer. In the case of residential care packages and housing costs, clients with their own means may sometimes fund themselves. There are some non-exchequer crime costs, and some clients may pay their own living costs rather than receive benefits. Where and to whom costs accrue is expected to vary by service type and potentially by client group, and is expected to be particularly affected by the extent to which the individual might be expected to pay for the Supporting People service and/or for the alternative service.

For Supporting People services, Government has determined that no-one should be charged for receipt of short-term interventions (i.e. those intended to be for up to two years duration). For services of a longer/ongoing duration, local authorities have the discretion to charge based on locally adopted charging rules which, in practice, normally mean that individuals on housing benefit are not charged and others may be subject to an assessment of their ability to pay. The latter arrangements normally mirror or closely align to local charging arrangements for social services. The groups who normally receive services on a long-term or ongoing basis are older people and people with learning disabilities. It is therefore reasonable to assume that, of the client groups considered in this work, the majority of costs and benefits of all but the older people and learning disability groups will fall to the exchequer, whereas for those four groups the costs and benefits will split between personal and exchequer. However, in the absence of identifiable data to inform any splitting of the costs, we have not sought to do so within this model and therefore the quantitative output of this work does not make a distinction between personal and exchequer costs.

It should also be noted that there are additional non-costed benefits from Supporting People identified by the earlier research [1] and discussed in section 3 of this report. The existence of these benefits means that consideration of financial values alone is insufficient to fully understand the benefits of Supporting People. This subject is discussed further towards the end of section 2.5 which describes the financial modelling approach.

Table 2.3.1 Types of cost modelled

Cost type	Description
SP Services	The cost of providing Supporting People services, such as counselling and advice on home improvement or personal security, development of life skills, development of social skills and help in managing personal finances.
Residential Care Package	This covers the cost of providing residential care to people who might otherwise be Supporting People clients. These costs accrue in part to the exchequer and in part to the clients themselves, although the distinction has not been modelled as part of this work.
Housing costs	This covers the cost of housing for people who are not in residential care arrangements. Like residential care packages, the costs may accrue to the exchequer or the individuals themselves.
Homelessness	This covers the costs arising from failure to maintain stable housing. It includes costs of emergency housing and social costs of homelessness.
Tenancy failure costs	This covers the costs of failure of clients' tenancies.
Health service costs	This covers the costs to the NHS and hence to the exchequer. It includes costs of stays in hospital, mental health services, visits to Accident & Emergency, and use of primary care and treatment services.
Social services care	This covers the costs of social services care, including personal domiciliary care, services for looked after children and social services input to reviewing care arrangements.
Crime costs	This covers the costs associated with both being a victim of crime and with re-offending. The costs are mainly costs to the exchequer and, in the case of women escaping domestic violence and older people, the social costs of crime (non-exchequer costs) are also included.
Benefits (Living Costs) and Related Services	Living costs are covered, including costs of administering benefits. In the financial modelling no allowance has been made for the fact that some SP clients may have independent means and are supported by those rather than the exchequer. Therefore, the costs modelled in this group are a mixture of costs to the exchequer and costs to individuals.

## 2.4 Data gathering approach

As described in section 2.3, the main data needs were identified as being in three areas: basic package costs, alternatives and impacts.

Separate approaches were used for each of these.

### **i Basic package costs**

Total cost information has been sourced from data provided at the researchers' request by the Communities and Local Government, the Home Office and the Department of Work and Pensions. This data is referenced in section 4. It includes data on costs of services funded by Supporting People, which is extrapolated from the SPLS data held by the programme. Costs are sourced from data relating to the 2004-05 period (as the most up-to-date full dataset held by Communities and Local Government at the time of this work), and numbers of units of support are sourced from data relating to March 2005. Where definite information relating to total costs has not been available estimates have been used – these have been based on discussions with two groups of Supporting People Lead Officers in West London and the North West of England. The cost information is shown in appendix A.

### **ii Alternatives**

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

### **iii Impacts**

For estimates of the impact that Supporting People services and alternatives would have in reducing adverse outcomes for the client groups, the earlier research [1] has been re-used. More detail of exactly how it has been used is provided in section 2.5. As has been discussed, the research considered a range of events that could happen to members of each group. These events were all either adverse incidents that could happen to clients, such as becoming a victim of crime, or positive interventions designed to help the clients. It went on to calculate the impact that Supporting People services were likely to have in reducing the level of the events, and hence the financial costs it was avoiding. Reductions were considered likely for both adverse incidents and positive interventions.

## 2.5 Financial modelling approach

### 2.5.1 Approach

The financial modelling approach has been to consider, for each group, what the financial impact would be if services funded by SP were to be removed and replaced by the most appropriate alternatives for meeting the group's needs as effectively as possible.

This is implemented in a financial model using the following approach for each client group. A worked example is provided in section 2.5.5.

### 2.5.2 Alternative Provision Scenario

The range of services and interventions that might be provided or accessible to each client group in the absence of SP funded services has been identified.

Following that, an assumption has been made and validated through discussions with Supporting People Lead Officers about both:

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

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

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

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

For socially excluded groups, the groups of SP Lead Officers considered that residential care alternatives would not generally be appropriate, as they would not be effective ways of supporting the people concerned, and so such packages are not considered.

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

For all client groups, the “alternative provision” scenarios are documented as working assumptions in section 3 of this report. In the example shown in 2.5.5 where people with learning disabilities are considered, it is shown as follows:

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

- 35% of them (11,284 households) with their current arrangements (but without any of the services currently provided by SP), on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- 65% of them (20,955 households) with residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP.”

### 2.5.3 Costs with existing arrangements in place

Costs of supporting the client group with the existing Supporting People arrangements in place are calculated using knowledge of the basic package costs under those arrangements and the costs of a set of events happening to the clients receiving those packages. These have been collected as described in point (i) of section 2.4; the data itself is given in appendix A. The events considered are those modelled in the earlier research [1] relating to a particular client group.

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



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

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

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

The calculation of event costs with Supporting People services in place is carried out using a financial modelling spreadsheet [2] which takes account of the numbers of households currently receiving these services, and re-uses the modelling logic around the events in the earlier research [1]. This logic uses a range of data sources to estimate the level of incidences of each event per household in the absence of Supporting People services, and then reduces them using estimates of the percentage impact that SP services will have on these levels. (The reduction percentages are sometimes based on evidence and are sometimes best estimates that have been validated with Supporting People Lead Officers and relevant Government departments).

For the example in section 2.5.5 (people with learning disabilities) the calculation produces the following cost per household unit, which is subsequently multiplied by the number of household units. The figure of £1,708 at the foot of the table is the figure shown in the part of the example headed “**Cost of existing provision.**”

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

<b>Event type</b>	<b>Cost per annum</b>
Being admitted to hospital due to general health issue	£985
Visiting an A&E department	£330
Being admitted to an acute mental health ward	£24
Visiting a GP due to general health issue	£135
Visiting a community health service (not mental)	£104
Being visited by a community mental health nurse	£9
Being a victim of burglary	£54
Being a victim of street crime (violent crime or mugging)	£67
Victim of homelessness	£0
Receiving home care provision	£0
<b>Total</b>	<b>£1,708</b>

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

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

In the alternative provision scenario, clients are allocated a range of packages and costs are calculated. This involves calculating the cost of the basic packages and the events under each of those packages, and then adding them up to provide an overall cost under the alternative provision scenario. The worked example in section 2.5.5 provides an example of this.

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

For the “without SP” packages, i.e. those that represent existing arrangements but without the SP component, event costs are calculated by re-using the logic of the earlier research [1]. This logic uses a range of data sources to estimate the level of incidences of each event per household in the absence of Supporting People services.

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

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

By way of illustration, the worked example shows an event cost per household unit of £3,364 as the event cost for a “without SP” package. This breaks down in the following table, and suggests that event costs are higher if SP is withdrawn (i.e. when compared to the costs if SP is provided as shown in table 2.5.3(ii)).

**Table 2.5.4 Cost per household unit per annum, of “without SP” service provision, of events for people with learning disabilities**

<b>Event type</b>	<b>Cost per annum</b>
Being admitted to hospital due to general health issue	£2,074
Visiting an A&E department	£348
Being admitted to an acute mental health ward	£50
Visiting a GP due to general health issue	£142
Visiting a community health service (not mental)	£110
Being visited by a community mental health nurse	£9
Being a victim of burglary	£56
Being a victim of street crime (violent crime or mugging)	£70
Victim of homelessness	£239
Receiving home care provision	£267
<b>Total</b>	<b>£3,364</b>

The worked example also shows an event cost per household unit of £1,708 for a residential care package. This has been obtained by assuming that the incidence of all events would be the same with residential care provision as it would with Supporting People provision. It follows from this assumption that cost is the £1,708 shown in table 2.5.3(ii).

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

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

### **2.5.6 Remark on methodology – long-term impact**

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

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

## Worked Example

The client group of “People with Learning Disabilities” consists of service provision for 32,339 household units.

### ***Cost of existing provision***

- The estimated average annual basic cost, per household unit, of existing provision is £35,141. (This includes an SP cost of £12,542 and other costs totalling £22,600.)
- The annual event cost per household comes to £1,708. [There is more detail of this section 2.5.3.]
- So, the total cost comes to £36,849 per client household per annum.
- Multiplying the cost per household by the number of households (32,339) gives a total cost of £1.19 billion.

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

Working assumption: It is assumed that, if SP funded services were not available then the most appropriate approach would be to provide:

- 35% of the group (11,319 households) with their current arrangements (but without any of the services currently provided by SP), on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and
- 65% of the group with (21,020 households) with residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP.

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

- The estimated average annual basic cost, per household unit, of service provision is £22,600.
- The annual event cost per household unit comes to £3,364. [There is more detail of this in section 2.5.4].

- So the total cost comes to £25,964 per client household per annum.
- Multiplying the cost per household by the number of households (11,319) gives a cost of £294 million.

For the 65% who would receive residential care:

- The estimated average annual basic cost, per household unit, of service provision is £72,602 per client household per annum.
- The annual event cost per household unit per annum comes to £1,708. [There is more detail of this in section 2.5.4].
- So the total cost comes to £74,310 per client household per annum.
- Multiplying the cost per household by the number of households (21,020) gives a cost of £1.56 billion per annum.

So the total cost of working with the individual without Supporting People services being available is £1.86 billion per annum.

### ***Level of benefit***

The net financial benefit provided by the Supporting People services being available is the difference between the cost of providing services to the client group currently (£1.19 billion) and the cost of providing the most appropriate alternative approach (£1.86 billion). This comes to £664 million in total.

### **Note on alternative provision scenarios**

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

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

In the example quoted the reader will note that, for the 35% of clients given a service package without the SP component, the cost of the alternative package is lower than that of the existing provision even when event costs are taken into account. This should not lead to the conclusion that it would necessarily be

appropriate to remove Supporting People services from that group. Whilst that provision would be cheaper, and is assumed to be the most appropriate alternative if Supporting People services were not available, it would not support independent living in the same way as the package involving Supporting People services and would not achieve the same uncoded benefits. (These are discussed at the end of section 3.3.2. They include improved health and mobility, reduced fear of crime, reduced social exclusion, reduced reliance on informal carers and better access to employment.)

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

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

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

## 3 Findings

### 3.1 Benefits from Supporting People

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

The reader should note that not all client groups are considered in this research. Those that have been considered cover approximately 90% of Supporting People spending.

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

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

### 3.2 Socially excluded groups

#### 3.2.1 Women escaping domestic violence

##### *Current arrangements and costs*

There are 5,875 units of support for women escaping domestic violence provided or part-funded by Supporting People. Each household unit contains, on average, 1 adult and 0.41 children, and these are typically provided through women's refuges and through floating support for resettlement<sup>3</sup>.

Based upon the available data and evidence, we have estimated that the average cost of supporting women escaping domestic violence through existing Supporting People packages is £34,767 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £26,460. This includes a cost to Supporting People of £10,121, as well as housing, social services and benefit costs. The breakdown of this is shown in table 6.2.1(i) of appendix A.
- Event costs arising from interventions and incidents of £8,307. These are shown later in this section, in table 3.2.1(i), and include (for example) health and criminal justice costs associated with recovery from and dealing with the domestic violence which has led to the need for support and assistance.

<sup>3</sup>The percentage of women experiencing domestic violence who have children in the household is 72% (12), in 40% (14) of these cases the children will also suffer domestic violence, and there are on average 1.4 children in these households (1). Thus the average number of children who are also victims of domestic violence is  $72\% \times 40\% \times 1.4 = 0.41$ .



Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£204.3 million** (£34,767 x 5,875).

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

A working assumption has been made that, if Supporting People services were not available, the most appropriate alternative provision for the client group would be to give 100% of household units the packages they currently receive but without the Supporting People component. This assumption has been made on the basis that intensive forms of support (residential care homes or hospitalisation) are inappropriate to meet the needs of the client group, which are generally for short-term crisis support and then resettlement support. Furthermore, because of the primary cause of the need for support is the individual fleeing domestic violence, it has been assumed that support to them in their own homes should not be regarded as the default model<sup>4</sup>.

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £16,339 per household unit (shown in table 6.2.1(ii), appendix A<sup>5</sup>).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £33,008; an increase of £24,701. The principal additional event costs would be:
  - An average £20,702 cost arising from severe incidents of domestic violence; the costs arise from hospital, ambulance and Criminal Justice System costs.
  - An average £2,665 cost arising from homelessness, including social costs of homeless and costs of emergency accommodation (e.g. B&B).
  - An average £516 cost from homicides (corresponding to an increase from around one per 1,000 population per annum to around four), including human and emotional costs and costs to the Health Service and Criminal Justice System.

<sup>4</sup>This assumption may need changing in future to reflect an increase in provision of support through the Sanctuary model.

<sup>5</sup>Both here and in all other individual client group sections, we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution. This is not restated in each section, but should be borne in mind when considering the reported findings.

- An average £213 cost from tenancy failure.
- An average £199 from being a victim of a minor incident of domestic violence; the costs arise from hospital, ambulance and Criminal Justice System costs.
- Additional other, less significant event costs which total to an annual average of £406.

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

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

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

Event type	Cost per annum (with SP)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Being a victim of a severe incidence of violence	£5,175	£25,877	£20,702
Being a victim of a minor incidence of violence	£50	£249	£199
Being a victim of homicide	£129	£645	£516
Being a victim of sexual assault	£2	£9	£7
Being admitted to hospital due to general health issue (woman)	£650	£722	£72
Being admitted to hospital due to general health issue (child)	£553	£614	£61
Being admitted to an acute mental health ward (woman)	£69	£92	£23
Being admitted to an acute mental health ward (child)	£1	£2	£0
Visiting a GP as a result of violence (woman and children)	£26	£131	£104
Visiting a GP due to general health issue (woman)	£567	£630	£63
Visiting a GP due to general health issue (child)	£488	£542	£54
Attending an outpatient appointment (child)	£165	£173	£9
Attending an outpatient appointment (woman)	£208	£219	£11
Being visited by a community mental health nurse (woman)	£9	£9	£0
Being visited by a community mental health nurse (child)	£3	£3	£0
Experiencing homelessness	£0	£2,665	£2,665
Experiencing tenancy failure	£213	£427	£213
<b>Total</b>	<b>£8,307</b>	<b>£33,008</b>	<b>£24,701</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £49,437. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£289.9 million** (£49,347 x 5,875).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£85.7 million**.

The breakdown of that financial benefit is as follows:

**Table 3.2.1(ii) Net benefit for women escaping domestic violence**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(59.5)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Housing costs	9.4
Homelessness	6.3
Tenancy failure costs	1.3
Health service costs	56.8
Crime costs	71.4
<b>Total benefit from other cost areas</b>	<b>145.1</b>
<b>Overall net benefit</b>	<b>85.7</b>

The financial benefits are that:

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

Offset against these is:

- The £59.5 million cost of providing the Supporting People services themselves.

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

### *Non-financial elements*

The earlier research [1] identified uncoded benefits from Supporting People for women at risk of domestic violence as:

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

### 3.2.2 Homeless families in settled accommodation

#### *Current arrangements and costs*

There are 9,663 household units of homeless families in settled accommodation receiving Supporting People services, containing on average 2.88 people each.<sup>6</sup>

Based upon the available data and evidence, we have estimated that the average cost of supporting homeless families in settled accommodation through existing Supporting People packages is £23,430 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £19,056. This includes a cost to Supporting People of £2,971, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.2(i) of Appendix A.
- Event costs arising from interventions and incidents of £4,374. These are shown later in this section in table 3.2.2(i) and include (for example) costs arising if people receiving support experience repeat homelessness and costs arising from crimes committed against homeless families.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£226.4 million** (£23,430 x 9,663).

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

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

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

<sup>6</sup>This comes from an estimate made by Matrix (1) of the number of adults per homeless families as 1.2, and an estimate of the number of children per homeless family as 1.68. (13)

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £16,085 per household unit (shown in table 6.2.2(ii), appendix A).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £7,468; an increase of £3,094. The principal additional event costs would be:
  - An average of £751 from repeat homelessness consisting of tenancy breakdown and social costs.
  - An average £654 from temporary accommodation needs arising from repeat homelessness.
  - An average of £405 from an adult requiring hospital admission due to a general health issue, plus an average of £328 from a child requiring hospital admission due to a general health issue.
  - An average of £343 for visits to an A&E department.
  - An average of £181 from adults requiring outpatient appointments and £127 from children requiring outpatient appointments.
  - Additional other, less significant event costs which total to an annual average of £307.

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

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

Event type	Cost per annum (with SP)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Experiencing repeat homelessness within a year	£188	£938	£751
Experiencing repeat homelessness within a year and needing emergency accommodation	£163	£817	£654
Being admitted to hospital due to general health issue (adult)	£944	£1,349	£405
Being admitted to hospital due to general health issue (child)	£766	£1,095	£328
Attending an outpatient appointment (adult)	£422	£603	£181
Attending an outpatient appointment (child)	£296	£423	£127
Visiting an A&E department	£799	£1,142	£343
Being admitted to an acute mental health ward (adult)	£264	£377	£113
Being admitted to an acute mental health ward (child)	£15	£21	£6
Being visited by a community mental health nurse (adult)	£8	£11	£3
Being visited by a community mental health nurse (child)	£2	£3	£1
Visiting a GP due to general health issue (adult)	£151	£216	£65
Visiting a GP due to general health issue (child)	£127	£181	£54
Being a victim of burglary	£74	£95	£20
Being a victim of street crime (violent crime or mugging)	£154	£198	£44
<b>Total</b>	<b>£4,374</b>	<b>£7,468</b>	<b>£3,095</b>



Through those changes, the average cost per household unit per annum of support through this different package would be £23,554. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£227.6 million** (£23,554 x 9,663).

Therefore the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£1.2 million**.

The breakdown of that financial benefit is as follows.

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

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(28.7)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Housing costs	6.3
Homelessness	1.5
Tenancy failure costs	5.8
Health service costs	15.7
Crime costs	0.6
<b>Total benefit from other cost areas</b>	<b>29.9</b>
<b>Overall net benefit</b>	<b>1.2</b>

The financial benefits are:

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

The cost offset against the benefits is:

- The £28.7 million cost of providing the Supporting People services themselves.

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

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

The earlier research [1] identified uncoded benefits from Supporting People for homeless families as:

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

### 3.2.3 Homeless families in temporary accommodation

#### *Current arrangements and costs*

There are 6,722 household units of homeless families in temporary accommodation receiving Supporting People services, containing on average 2.88 people each<sup>7</sup>.

Based upon the available data and evidence, we have estimated that the average cost of supporting homeless families in temporary accommodation through existing Supporting People packages is £38,210 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £20,304. This includes a cost to Supporting People of £3,716, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.3(i) of Appendix A.
- Event costs arising from interventions and incidents of £17,905. These are shown later in this section in table 3.2.3(i) and include, for example, costs arising if people receiving support fail to progress to settled housing and costs arising from crimes committed against homeless families.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£256.8 million** (£38,210 x 6,722).

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

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

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

<sup>7</sup>This comes from an estimate made by Matrix [1] of the number of adults per homeless family as 1.2, and an estimate of the number of children per homeless family as 1.68 [13].

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £16,588 (shown in table 6.2.3(ii), appendix A) per household unit.
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £29,094; an increase of £11,189. The principal additional event costs would be:
  - An average £6,321 from failure to progress from temporary to settled housing, arising primarily from the high costs of temporary accommodation.
  - An average £1,167 from an adult requiring hospital admission due to a general health issue plus an average of £948 from a child requiring hospital admission due to a general health issue.
  - An average of £988 for visits to an A&E department.
  - An average of £522 from adults requiring outpatient appointments and £366 from children requiring outpatient appointments.
  - Additional other less significant event costs which total to an annual average of £877.

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

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

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

Event type	Cost per annum (with SP)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Failing to progress from temporary accommodation to settled housing	£6,321	£12,643	£6,321
Being admitted to hospital due to general health issue (adult)	£2,723	£3,891	£1,167
Being admitted to hospital due to general health issue (child)	£2,211	£3,159	£948
Attending an outpatient appointment (adult)	£1,217	£1,739	£522
Attending an outpatient appointment (child)	£854	£1,220	£366
Visiting an A&E department	£2,305	£3,294	£988
Being admitted to an acute mental health ward (adult)	£761	£1,087	£326
Being admitted to an acute mental health ward (child)	£43	£61	£18
Being visited by a community mental health nurse (adult)	£22	£31	£9
Being visited by a community mental health nurse (child)	£7	£9	£3
Visiting a GP due to general health issue (adult)	£425	£607	£182
Visiting a GP due to general health issue (child)	£357	£510	£153
Being a victim of burglary	£215	£274	£59
Being a victim of street crime (violent crime or mugging)	£445	£571	£126
<b>Total</b>	<b>£17,905</b>	<b>£29,094</b>	<b>£11,189</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £45,682. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£307.1 million** (£45,682 x 6,722).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£50.2 million**.

The breakdown of that financial benefit is as follows.

**Table 3.2.3(ii) Net benefit for homeless families in temporary accommodation**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(25.0)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Housing costs	35.2
Homelessness	7.3
Health service costs	31.5
Crime costs	1.2
<b>Total benefit from other cost areas</b>	<b>75.2</b>
<b>Overall net benefit</b>	<b>50.2</b>

The financial benefits are that:

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

The cost offset against the benefits is:

- The £25.0 million cost of providing the Supporting People services themselves.

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

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

### *Non-financial elements*

As explained in section 3.2.2, the earlier research [1] identified uncoded benefits from Supporting People for homeless families as:

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

### 3.2.4 Homeless single people in settled accommodation

#### *Current arrangements and costs*

There are 28,525 household units of homeless single people in settled accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting homeless single people in settled accommodation through existing Supporting People packages is £29,628 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £14,315. This includes a cost to Supporting People of £5,180, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.4(i) of appendix A.
- Event costs arising from interventions and incidents of £15,313. These are shown later in this section in table 3.2.4(i) and include, for example, costs arising if people receiving support experience repeat homelessness and costs of clients committing criminal offences.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£845.1 million** (£29,628 x 28,525).

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

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

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



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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £9,135 per household unit (shown in table 6.2.4(ii), appendix A).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £20,813; an increase of £5,500. The principal additional event costs would be:
  - An average of £3,146 from offending behaviour, involving both Criminal Justice System costs and the costs of dealing with the consequences of crime (such as hospital treatment of victims and repair of damage to property.)
  - An average of £749 from experiencing repeat homelessness within a year, consisting of tenancy breakdown and social costs.
  - Other costs from repeat homelessness: These are an average of £363 from costs of emergency accommodation and £183 from rough sleeping.
  - An average of £337 from admission to hospital due to a general health issue.
  - An average of £156 in drug treatment costs.
  - An average of £153 from admission to Accident & Emergency.
  - Additional other, less significant event costs which total to an annual average of £413.

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

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

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

Event type	Cost per annum (with SP)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Experiencing repeat homelessness within a year	£187	£936	£749
Needing emergency temporary accommodation	£91	£454	£363
Sleeping rough	£46	£229	£183
Being admitted to hospital due to general health issue	£787	£1,124	£337
Attending an outpatient appointment	£350	£500	£150
Being visited by a community mental health nurse	£8	£11	£3
Visiting an A&E department	£356	£508	£153
Being admitted to an acute mental health ward	£220	£314	£94
Being treated for drug problems	£364	£520	£156
Being treated for alcohol problems	£216	£308	£92
Being a victim of assault while sleeping rough	£10	£51	£41
Being a victim of burglary	£32	£41	£9
Being a victim of street crime (violent crime or mugging)	£63	£86	£23
Being convicted for reoffending	£12,583	£15,729	£3,146
<b>Total</b>	<b>£15,313</b>	<b>£20,813</b>	<b>£5,500</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £29,948. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£854.3 million** (£29,948 x 28,525).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£9.1 million**.

The breakdown of that financial benefit is as follows:

**Table 3.2.4 Net benefit for homeless single people in settled accommodation**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(147.8)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Housing costs	10.4
Homelessness	9.5
Tenancy failure costs	17.1
Health service costs	27.4
Social services care	0.7
Crime costs	91.8
<b>Total benefit from other cost areas</b>	<b>156.9</b>
<b>Overall net benefit</b>	<b>9.1</b>

The financial benefits are that:

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

The cost offset against the benefits is:

- The £147.8 million cost of providing the Supporting People services themselves.

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

### *Non-financial elements*

The earlier research [1] identified uncoded benefits from single homeless people as:

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

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

### *Current arrangements and costs*

There are 15,636 household units of homeless single people in temporary accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting homeless single people in temporary accommodation is £79,260 unit per annum. This is based upon:

- A direct cost of providing the basic support package of £20,738. This includes a cost to Supporting People of £8,137, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.5(i) in appendix A.
- Event costs arising from interventions and incidents of £58,522. These are shown later in this section in table 3.2.5(i) and include (for example) costs of clients committing criminal offences or failing to progress to settled accommodation.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£1,239.3 million** (£79,260 x 15,636).

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

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

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

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £12,601 per household unit (shown in table 6.2.5(ii), appendix A).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £71,598; an increase of £13,076. The principal additional event costs would be:
  - An average of £3,660 from failure to progress from temporary to settled housing, arising primarily from the high costs of temporary accommodation.
  - An average of £3,171 from social costs associated with rough sleeping, and an average of £703 from being assaulted while sleeping rough.
  - An average of £2,632 from offending behaviour, involving both Criminal Justice System costs and the costs of dealing with the consequences of crime (such as hospital treatment of victims and repair of damage to property.)
  - An average of £973 from admission to hospital due to a general health issue.
  - An average of £450 in drug treatment costs.
  - An average of £440 from admission to Accident & Emergency.

- An average of £433 from attending outpatients' appointments.
- Additional other, less significant event costs which total to an annual average of £614.

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

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

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

Event type	Cost per annum (with SP)	Cost per annum (alternative scenario)	Additional cost under alternative scenario
Failing to move from temporary accommodation into settled accommodation	£8,961	£12,621	£3,660
Sleeping rough	£0	£3,171	£3,171
Being admitted to hospital due to general health issue	£2,270	£3,242	£973
Attending an outpatient appointment	£1,010	£1,443	£433
Being visited by a community mental health nurse	£23	£33	£10
Visiting an A&E department	£1,027	£1,466	£440
Being admitted to an acute mental health ward	£634	£906	£272
Being treated for drug problems	£1,051	£1,501	£450
Being treated for alcohol problems	£623	£889	£267
Being a victim of assault while sleeping rough	£0	£703	£703
Being a victim of burglary	£0	£0	£0
Being a victim of street crime (violent crime or mugging)	£183	£249	£66
Being convicted for reoffending	£42,741	£45,373	£2,632
<b>Total</b>	<b>£58,522</b>	<b>£71,598</b>	<b>£13,076</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £84,199. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£1,316.5 million** (£84,199 x 15,636).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£77.2 million**.

The breakdown of that financial benefit is as follows.

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

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(127.2)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Housing costs	47.5
Homelessness	59.3
Health service costs	43.4
Social services care	1.1
Crime costs	53.2
<b>Total benefit from other cost areas</b>	<b>204.5</b>
<b>Overall net benefit</b>	<b>77.2</b>

The financial benefits are that:

- Costs relating to housing and homelessness are reduced, because the risks of sleeping rough and failure to move into settled accommodation are reduced.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident & Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.
- Health and social services costs are reduced because of a lower incidence of drug and alcohol problems.

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

The cost offset against the benefits is:

- The £127.2 million cost of providing the Supporting People services themselves.

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

### *Non-financial elements*

As described in section 3.2.4, the earlier research [1] identified uncosted benefits from single homeless people as:

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

## **3.2.6 Offenders and those at risk of offending**

### *Current arrangements and costs*

There are 6,432 household units of offenders and those at risk of offending receiving Supporting People services.



Based upon the available data and evidence, we have estimated that the average cost of supporting offenders and those at risk of offending through existing Supporting People packages is £59,032 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £20,779. This includes a cost to Supporting People of £7,258, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.6(i) in appendix A.
- Event costs arising from interventions and incidents of £38,253. These are shown later in this section in table 3.2.6(i) and include, for example, costs of re-offending and being treated for alcohol problems.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£379.7 million** (£59,032 x 6,432).

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

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

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

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £13,520 per household unit (shown in table 6.2.6(ii), appendix A).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £49,378; an increase of £11,125. The principal additional event costs would be:

- An average £9,198 cost offending behaviour, involving both Criminal Justice System costs and the costs of dealing with the consequences of crime (such as hospital treatment of victims and repair of damage to property.)
- A cost of £1,759 from experiencing homelessness consisting of a high cost of temporary accommodation and other social costs.
- Additional other, less significant costs which total to an average of £168.

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

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

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

<b>Event type</b>	<b>Cost per annum (with SP)</b>	<b>Cost per annum (alternative scenario)</b>	<b>Additional cost under alternative scenario</b>
Being admitted to hospital due to general health issue	£371	£391	£20
Visiting an A&E department	£105	£110	£6
Being visited by a community mental health nurse	£6	£6	£0
Being admitted to an acute mental health ward	£95	£100	£5
Visiting a community health service (not mental)	£104	£110	£5
Being treated for drug problems	£164	£172	£9
Being treated for alcohol problems	£397	£418	£21
Being convicted for reoffending	£36,793	£45,991	£9,198
Experiencing homelessness	£0	£1,759	£1,759
Experiencing tenancy failure	£64	£128	£64
Having children taken into the care of social services (offenders who are mothers)	£154	£193	£39
<b>Total</b>	<b>£38,253</b>	<b>£49,378</b>	<b>£11,125</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £62,899. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£404.6 million** (£62,899 x 6,432).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£24.9 million**.

The breakdown of that financial benefit is as follows.

**Table 3.2.6(ii) Net benefit for offenders and those at risk of offending**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(46.7)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Housing costs	6.8
Homelessness	4.5
Tenancy failure costs	0.4
Health service costs	0.4
Social services care	0.2
Crime costs	59.2
<b>Total benefit from other cost areas</b>	<b>71.6</b>
<b>Overall net benefit</b>	<b>24.9</b>

The major financial benefits are that:

- Crime costs are reduced through a significant reduction in re-offending which in turn reduces financial costs associated with victims (e.g. treatment in hospital), Criminal Justice System costs of investigation and trial and NOMS costs of imprisonment.
- Health service costs are reduced through lower use of drug and alcohol services, Accident & Emergency and community health services, and fewer admissions to hospital for physical and mental health problems.

- Social services costs are reduced through lower incidence of children needing to be cared for because of their mothers re-offending and being imprisoned.
- Costs of homelessness and housing are reduced because of a reduction in the level of failure of accommodation arrangements including tenancies.

The cost offset against the benefits is:

- The £46.7 million cost of providing Supporting People services.

As suggested in section 2.5.6, it is possible that an additional financial benefit, not quantified here, arises through the provision of Supporting People services; that of a long-term reduction in the number of people at risk of offending and a consequent reduction in the costs of both supporting them and dealing with the resultant crimes. The hypothesis would be that this arises through providing people with resettlement support and life skills which allow them to maintain stable housing and, through that, reduce the likelihood of their re-offending in the long-term.

### *Non-financial elements*

The earlier research [1] identified uncoded benefits from Supporting People for offenders and those at risk of offending as:

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

### 3.2.7 Young people at risk in settled accommodation

#### *Current arrangements and costs*

For the purposes of the Supporting People programme, “young people at risk” are defined as young people aged 16-25 who are homeless or in insecure accommodation. There are 10,379 household units of young people at risk in settled accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting young people at risk in settled accommodation through existing Supporting People packages is £29,787 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £15,015. This includes a cost to Supporting People of £6,991, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.7(i) of appendix A.
- Event costs arising from interventions and incidents of £14,773. These are shown later in this section in table 3.2.7(i)(a) and include, for example, committing criminal offences or becoming a victim of homelessness.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£309.2 million** (£29,787 x 10,379).

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

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

- 95% of the group (9,860 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to meet the needs of the client group and would impede their independence rather than help with it; and
- 5% of the group (519 households) inpatient psychiatric care, on the basis that this percentage of clients would be too vulnerable to live independently in the absence of support and would require hospital care as the most effective alternative way to manage their underlying problems.

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

- First, through removal of the expenditure on Supporting People and the introduction of psychiatric care, it would change the direct cost of packages for supporting the group. This would now be on average £10,956 per household unit. This is based on an average of £8,024 (shown in table 6.2.7(ii), appendix A) for the 95% receiving current services but without the SP component and £66,657 (shown in table 6.2.7(iii), appendix A) for the 5% receiving psychiatric care. ( $£8,024 \times 95\% + £66,657 \times 5\% = £10,956$ ).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £19,366, an increase of £4,594. This is made up of an increase of £4,836 for those who, in the absence of SP, would receive the arrangements they receive at present, and a zero change for those who in the absence of SP would receive residential or nursing care. ( $£4,836 \times 95\% + £0 \times 5\% = £4,594$ .)

The increase of £4,836 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £3,146 increase in costs relating to offending (these are principally Criminal Justice System costs associated with offending, but they also include some costs in dealing with the consequences of crime).
- An average £749 increase in costs relating to homelessness, plus an additional £363 relating to needing temporary accommodation and £183 related to sleeping rough.
- An average of £395 in other costs.
- These costs are shown in table 3.2.7(i)(a).

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

The hypothesis behind the zero increase in event costs for clients receiving hospital care (shown in table 3.2.7(i)(b)) is that these interventions would have a similar level of impact to Supporting People services in reducing the level of events.

Table 3.2.7(i)(a) Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with a similar package without SP

Event type	Cost per annum (with SP)	Cost per annum (without SP)	Additional cost (without SP)
Experiencing repeat homelessness within a year	£187	£936	£749
Needing emergency temporary accommodation	£91	£454	£363
Sleeping rough	£46	£229	£183
Being admitted to hospital due to general health issue	£468	£551	£83
Attending an outpatient appointment	£266	£313	£47
Being visited by a community mental health nurse	£5	£5	£0
Visiting an A&E department	£195	£259	£65
Being admitted to an acute mental health ward	£61	£71	£11
Being treated for drug problems	£306	£360	£54
Being treated for alcohol problems	£262	£308	£46
Being a victim of assault while sleeping rough	£11	£57	£46
Being a victim of burglary	£89	£101	£11
Being a victim of street crime (violent crime or mugging)	£202	£235	£33
Being convicted for reoffending	£12,583	£15,729	£3,146
<b>Total</b>	<b>£14,772</b>	<b>£19,608</b>	<b>£4,837</b>

Table 3.2.7(i)(b) Average costs per annum of events per unit of SP support, with existing support package (involving SP) and with hospital care

Event type	Cost per annum (with SP)	Cost per annum (hospital care)	Additional cost (hospital care)
Experiencing repeat homelessness within a year	£187	£187	£0
Needing emergency temporary accommodation	£91	£91	£0
Sleeping rough	£46	£46	£0
Being admitted to hospital due to general health issue	£468	£468	£0
Attending an outpatient appointment	£266	£266	£0
Being visited by a community mental health nurse	£5	£5	£0
Visiting an A&E department	£195	£195	£0
Being admitted to an acute mental health ward	£61	£61	£0
Being treated for drug problems	£306	£306	£0
Being treated for alcohol problems	£262	£262	£0
Being a victim of assault while sleeping rough	£11	£11	£0
Being a victim of burglary	£89	£89	£0
Being a victim of street crime (violent crime or mugging)	£202	£202	£0
Being convicted for reoffending	£12,583	£12,583	£0
<b>Total</b>	<b>£14,772</b>	<b>£14,772</b>	<b>£0</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £30,322. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£314.7 million** (£30,322 x 10,379).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£5.6 million**.



The breakdown of that financial benefit is as follows.

Table 3.2.7(ii) Net benefit for young people at risk in settled accommodation

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(72.6)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Residential Care Package	32.6
Housing costs	1.7
Homelessness	3.3
Tenancy failure costs	5.9
Health service costs	3.0
Social services care	1.3
Crime costs	31.9
Benefits and Related Services	(1.6)
<b>Total benefit from other cost areas</b>	<b>78.1</b>
<b>Overall net benefit</b>	<b>5.6</b>

The financial benefits are that:

- Costs of residential care are avoided, although, offset against this, some living costs (categorised as 'Benefits and Related Services') are incurred, because clients have a higher living cost with SP than they would in hospital.
- Costs relating to housing, homelessness and tenancy failure are reduced, because the risks of repeat homelessness, requiring temporary accommodation and sleeping rough are reduced.
- Health service costs are reduced through improvements in the general health of clients. These result in fewer admissions to Accident & Emergency, lower use of GP and community mental health services, and fewer admissions to hospital for physical and mental health problems.
- Health and social services costs are reduced because of lower incidence of drug and alcohol problems.
- Crime costs are reduced through clients being given advice to help them avoid burglary and street crime, and through reductions in their own re-offending.

The cost offset against the benefits is:

- The £72.6 million cost of providing the Supporting People services themselves.

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

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

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

The earlier research [1] did not identify uncoded benefits for young people at risk. However, as discussed in appendix B, section 7.2, it has been assumed, with validation from Communities and Local Government, that young people at risk gain similar benefits from Supporting People to those gained by single homeless people. We have also assumed that the non-financial benefits they receive would be in the same areas. These are:

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

### 3.2.8 Young people at risk in temporary accommodation

#### *Current arrangements and costs*

There are 3,420 household units of young people at risk in temporary accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting young people at risk in temporary accommodation through existing Supporting People packages is £76,841 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £20,059. This includes a cost to Supporting People of £8,508, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.2.8(i) in appendix A.
- Event costs arising from interventions and incidents of £56,782. These are shown later in this section in table 3.2.8(i)(a) and include (for example) committing criminal offences or becoming a victim of homelessness.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£262.8 million** (£76,841 x 3,420).

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

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

- 95% of the group (3,249 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to meet the needs of the client group and would impede their independence rather than help with it; and
- 5% of the group (171 households) inpatient psychiatric care, on the basis that this percentage of clients would be too vulnerable to live independently in the absence of support and would require hospital care as the most effective alternative way to manage their underlying problems.

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £14,306 per household unit. This is based on an average of £11,550 (shown in table 6.2.8(ii), appendix B) for the 95% receiving current services but without the SP component and £66,657 for the 5% receiving psychiatric care (shown in table 6.2.8(iii), appendix B). ( $£11,550 \times 95\% + £66,657 \times 5\% = £14,306$ ). (In computing the £11,550 we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution.)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £65,568, an increase of £8,786. This is made up of an increase of £9,248 for those who, in the absence of SP, would receive the arrangements they receive at present, and a zero change for those who in the absence of SP would receive residential or nursing care. ( $£9,248 \times 95\% + £0 \times 5\% = £8,786$ .)

The increase of £9,248 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average of £2,632 in costs relating to offending.
- An average £3,660 increase in costs relating to failure to move from temporary to settled accommodation, and an average £1,586 increase in costs relating to sleeping rough and £395 cost relating to assaults while sleeping rough.
- An average of £976 in other costs.
- The full breakdown of the additional costs is shown in table 3.2.8(i)(a).

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

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

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

Event type	Cost per annum (with SP)	Cost per annum (without SP)	Additional cost (without SP)
Failing to move from temporary accommodation into settled accommodation	£8,961	£12,621	£3,660
Sleeping rough	£0	£1,586	£1,586
Being admitted to hospital due to general health issue	£1,350	£1,588	£238
Attending an outpatient appointment	£767	£902	£135
Being visited by a community mental health nurse	£5	£5	£0
Visiting an A&E department	£561	£749	£187
Being admitted to an acute mental health ward	£175	£206	£31
Being treated for drug problems	£883	£1,039	£156
Being treated for alcohol problems	£756	£889	£133
Being a victim of assault while sleeping rough	£0	£395	£395
Being a victim of burglary	£0	£0	£0
Being a victim of street crime (violent crime or mugging)	£583	£678	£95
Being convicted for reoffending	£42,741	£45,373	£2,632
<b>Total</b>	<b>£56,782</b>	<b>£66,030</b>	<b>£9,248</b>

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

Event type	Cost per annum (with SP)	Cost per annum (hospital care)	Additional cost (hospital care)
Failing to move from temporary accommodation into settled accommodation	£8,961	£8,961	£0
Sleeping rough	£0	£0	£0
Being admitted to hospital due to general health issue	£1,350	£1,350	£0
Attending an outpatient appointment	£767	£767	£0
Being visited by a community mental health nurse	£5	£5	£0
Visiting an A&E department	£561	£561	£0
Being admitted to an acute mental health ward	£175	£175	£0
Being treated for drug problems	£883	£883	£0
Being treated for alcohol problems	£756	£756	£0
Being a victim of assault while sleeping rough	£0	£0	£0
Being a victim of burglary	£0	£0	£0
Being a victim of street crime (violent crime or mugging)	£583	£583	£0
Being convicted for reoffending	£42,741	£42,741	£0
<b>Total</b>	<b>£56,782</b>	<b>£56,782</b>	<b>£0</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £79,873. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£273.2 million** (£79,873 x 3,420).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£10.4 million**.

The breakdown of that financial benefit is as follows.

**Table 3.2.8(ii) Net benefit for young people at risk in temporary accommodation**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(29.1)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Residential Care Package	10.7
Housing costs	8.7
Homelessness	7.2
Health service costs	2.9
Social services care	0.4
Crime costs	10.1
Benefits and Related Services	(0.5)
<b>Total benefit from other cost areas</b>	<b>39.5</b>
<b>Overall net benefit</b>	<b>10.0</b>

The financial benefits are that:

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

The cost offset against the benefits is:

- The £29.1 million cost of providing the Supporting People services themselves.

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

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

### *Non-financial elements*

The earlier research [1] did not identify uncoded benefits for young people at risk. However, as discussed in appendix C, section 7.2, it has been assumed, with validation by Communities and Local Government, that young people at risk gain similar benefits from Supporting People to those gained by single homeless people. Therefore, we have assumed that the non-financial benefits they receive would be in the same areas. These are:

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



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

### 3.3.1 People with drug problems

#### *Current arrangements and costs*

There are 3,689 household units of people with drug problems receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of Supporting People with drug problems through existing Supporting People packages is £28,165 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £20,724. This includes a cost to Supporting People of £6,599, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.1(i) of appendix A.
- Event costs arising from interventions and incidents of £7,441. These are shown later in this section in table 3.3.1(i) and include, for example, costs associated with clients having health problems and committing criminal offences.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£103.9 million** (£28,165 x 3,689).

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

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

- 80% of household units residential rehabilitation packages; and
- 20% of household units inpatient psychiatric care.

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

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

- First, through removal of the expenditure on Supporting People and the introduction of psychiatric care, it would change the direct cost of packages for supporting the group. This would now be on average £53,368 per household unit. This is based on an average of £46,707 (see table 6.3.1(ii), appendix A) for the 80% receiving current services but without the SP component and £80,012 for the 20% receiving psychiatric care (see table 6.3.1(iii), appendix A). ( $£80,012 \times 20\% + £46,707 \times 80\% = £53,368$ .)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £903; a reduction of £6,538. The principal reductions in the event costs would be:
  - A reduction of £1,845 in costs for imprisonment of clients committing criminal offences.
  - A reduction of £1,194 in costs associated with arrest for acquisitive crimes.
  - A reduction of £1,117 in costs associated with arrests for drug offences.
  - A reduction of £1,070 in costs associated with appearances in court.
  - A reduction of £749 in costs associated with drug treatment that is not on a residential basis.
  - A reduction of £320 in costs associated with experiencing tenancy failure.
  - A reduction of £243 in other costs.

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

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

**Table 3.3.1(i) Average costs per annum of events per unit of SP support, with SP and under the alternative scenario**

Event type	Cost per annum (with SP)	Cost per annum (alternative scenario)	Additional cost under (alternative scenario)
Visiting an A&E department	£132	£132	£0
Being admitted to hospital due to general health issue	£468	£468	£0
Being admitted to an acute mental health ward	£95	£0	(£95)
Visiting a GP due to general health issue	£94	£94	£0
Being visited by a community mental health nurse	£63	£0	(£63)
Attending an outpatient appointment	£208	£208	£0
Being treated for drug problems	£749	£0	(£749)
Being arrested for a drug offence	£1,117	£0	(£1,117)
Being arrested for an acquisitive crime offence	£1,194	£0	(£1,194)
Spending a night in police custody	£85	£0	(£85)
Appearing in court	£1,070	£0	(£1,070)
Spending time in prison	£1,845	£0	(£1,845)
Experiencing tenancy failure	£320	£0	(£320)
<b>Total</b>	<b>£7,441</b>	<b>£903</b>	<b>(£6,538)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £54,270. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£200.2 million** (£54,270 x 3,689).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£96.3 million**.

The breakdown of that financial benefit is as follows.

**Table 3.3.1(ii) Net benefit for people with drug problems**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(24.3)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Residential Care Package	169.1
Housing costs	(13.4)
Homelessness	0.0
Tenancy failure costs	(1.2)
Health service costs	(10.9)
Social services care	(0.3)
Crime costs	(19.6)
Benefits and Related Services	(3.1)
<b>Total benefit from other cost areas</b>	<b>120.6</b>
<b>Overall net benefit</b>	<b>96.3</b>

The financial benefits are that:

- Supporting People services avoid a £169.1 million cost of residential care (in both hospitals and residential rehabilitation services), although there are number of factors to offset against this:
  - Use of residential care would reduce expenditure on living expenses for this client group (shown in 'Benefits and Related Services) and on housing.
  - Use of residential care would reduce the opportunities for offenders to commit crime, and hence it would reduce the associated costs.
  - Use of residential care would remove the problem of tenancy failure for the client group, and hence the associated cost.
  - Use of residential care would reduce use of Health Service treatment for drug users outside of hospital and also of mental health services.

However, the cost offset against the benefits is:

- The £24.3 million cost of providing the Supporting People services themselves.

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

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

### *Non-financial elements*

The earlier research [1] identified uncoded benefits from Supporting People for people with drug problems as:

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

## **3.3.2 People with learning disabilities**

### *Current arrangements and costs*

There are 32,339 household units of people with learning disabilities receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting clients with learning disabilities through existing Supporting People packages is £36,849 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £35,141. This includes a cost to Supporting People of £12,542, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.2(i) in appendix A.
- Event costs arising from interventions and incidents of £1,708. These are shown later in this section in table 3.3.2(i)(a) and include, for example, being admitted to hospital because of a general health issue and becoming a victim of street crime.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£1,191.7 million** (£36,849 x 32,339).

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

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

- 35% of the group (11,319 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to meet the needs of the client group and would impede their independence rather than help with it; and
- 65% of the group (21,020 households) residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP and that this therefore was the only realistic alternative form of positive provision.

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £55,101 per household unit. This is based on an average of £22,600 (see table 6.3.2(ii) in appendix A) for the 35% receiving current services but without the SP component and £72,602 (see table 6.3.2(iii)) for the 65% receiving residential care ( $£22,600 \times 35\% + £72,602 \times 65\% = £55,101$ ).

- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £2,287, an increase of £579. This is made up of an increase of £1,656 for those who, in the absence of SP, would receive the arrangements they receive at present, and a zero increase for those who, in the absence of SP, would receive residential care ( $£1,656 \times 35\% = £579$ ).

The increase of £1,656 for those who, in the absence of SP, would receive their current arrangements breaks down as follows:

- An average £1,089 increase in costs relating to admission to hospital due to a general health issue.
- An average £267 increase in costs of home care provision.
- An average £239 increase in costs associated with homelessness (including tenancy breakdown and social costs).
- An average £60 increase in other costs.
- These costs are shown in full in table 3.3.3(i)(a).

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

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

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

<b>Event type</b>	<b>Cost per annum (with SP)</b>	<b>Cost per annum (without SP)</b>	<b>Additional cost (without SP)</b>
Being admitted to hospital due to general health issue	£985	£2,074	£1,089
Visiting an A&E department	£330	£348	£17
Being admitted to an acute mental health ward	£24	£50	£26
Visiting a GP due to general health issue	£135	£142	£7
Visiting a community health service (not mental)	£104	£110	£5
Being visited by a community mental health nurse	£9	£9	£0
Being a victim of burglary	£54	£56	£2
Being a victim of street crime (violent crime or mugging)	£67	£70	£3
Victim of homelessness	£0	£239	£239
Receiving home care provision	£0	£267	£267
<b>Total</b>	<b>£1,708</b>	<b>£3,364</b>	<b>£1,656</b>



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

Event type	Cost per annum (with SP)	Cost per annum (without SP)	Additional cost (without SP)
Being admitted to hospital due to general health issue	£985	£985	£0
Visiting an A&E department	£330	£330	£0
Being admitted to an acute mental health ward	£24	£24	£0
Visiting a GP due to general health issue	£135	£135	£0
Visiting a community health service (not mental)	£104	£104	£0
Being visited by a community mental health nurse	£9	£9	£0
Being a victim of burglary	£54	£54	£0
Being a victim of street crime (violent crime or mugging)	£67	£67	£0
Victim of homelessness	£0	£0	£0
Receiving home care provision	£0	£0	£0
<b>Total</b>	<b>£1,708</b>	<b>£1,708</b>	<b>£0</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £57,388. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£1,855.9 million** (£57,388 x 32,339).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£664.2 million**.

The breakdown of that financial benefit is as follows.

**Table 3.3.2(ii) Net benefit for people with learning disabilities**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(405.6)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Residential Care Package	1,391.9
Housing costs	(76.5)
Homelessness	1.2
Tenancy failure costs	1.5
Health service costs	13.0
Social services care	(249.2)
Crime costs	0.1
Benefits and Related Services	(12.0)
<b>Total benefit from other cost areas</b>	<b>1,069.8</b>
<b>Overall net benefit</b>	<b>664.2</b>

The financial benefits are that:

- Supporting People services avoid a £1,391.9 million cost of residential care, although there are some costs to offset against this:
  - Use of residential care would reduce expenditure on housing costs.
  - Use of residential care would reduce social services expenditure on people in their own homes.
  - Use of residential care would reduce living costs (categorised as “Benefits and Related Services”) for clients.
- Supporting People services avoid, amongst the population who might otherwise receive non-residential care packages with no SP component, a proportion of:
  - Health service costs connected with GPs, admission to Accident & Emergency, admission to hospital due to general health issues, and use of community and hospital mental health services.

- Crime costs connected with being a victim of burglary or street crime.
- Homelessness and tenancy failure costs.

The cost offset against the benefits is:

- The £405.6 million cost of providing the Supporting People services themselves.

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

### *Non-financial elements*

The earlier research [1] identified uncosted benefits from Supporting People for people with learning disabilities as:

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

### 3.3.3 People with mental health problems

#### *Current arrangements and costs*

There are 37,582 household units of people with mental health problems receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of Supporting People with mental health problems through existing Supporting People packages is £21,612 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £18,679. This includes a cost to Supporting People of £6,720, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.3(i) in appendix A.
- Event costs arising from interventions and incidents of £2,932. These are shown later in this section in table 3.3.3(i)(a) and include, for example, becoming homeless and visiting A&E departments.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£812.2 million** (£21,612 x 37,582).

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

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

- 59% of the group (22,173 households) the packages they currently receive but without the Supporting People component. This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to meet the needs of the client group and would impede their independence rather than help with it;
- 8% of the group (3,007 households) residential care; and
- 33% of the group (12,402 household) units inpatient hospital care.

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

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £31,203 per household unit. This is based on an average of £11,960 (see table 6.3.3(ii), appendix A) for the 59% receiving current services but without the SP component, £26,874 (see table 6.3.3(iii), appendix A) for the 8% receiving residential care and £66,657 (see table 6.3.3(iv), appendix A) for the 33% receiving hospital care. ( $£11,960 \times 59\% + £26,874 \times 8\% + £66,657 \times 33\% = £31,203$ ). (In computing the £11,960 we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution.)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £3,367, an increase of £434. This is made up of an increase of £1,775 for those who, in the absence of SP, would receive the arrangements they receive at present, and a reduction of £1,495 for those who in the absence of SP would receive residential or nursing care. ( $£1,775 \times 59\% + (-£1,495) \times (33\% + 8\%) = £434$ .)

The increase of £1,775 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £1,075 increase in costs relating to homelessness. These include tenancy breakdown and social costs.
- An average £313 increase in costs relating to admissions to acute mental health wards.
- An average £203 increase in costs of non-statutory social care.
- Other costs of on average £185.
- The full breakdown of the increase is shown in table 3.3.3(i)(a).

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

The reduction of £1,495 for those who in the absence of SP would receive residential or hospital care breaks down as follows:

- An average £1,075 reduction in costs relating to homelessness. These include both tenancy breakdown and social costs, and the reduction arises because the care arrangements mean that the client does not have to manage their own tenancy.
- An average £277 reduction in costs relating to visiting community health services.
- A further £143 reduction in costs relating specifically to community mental health services.
- This is shown in table 3.3.3(i)(b).

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

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

Event type	Cost per annum (with SP)	Cost per annum (without SP)	Additional cost (without SP)
Being admitted to hospital due to general health issue	£230	£254	£25
Visiting an A&E department (including to treat for self harm)	£132	£139	£7
Being admitted to an acute mental health ward	£703	£1,015	£313
Visiting a GP due to general health issue	£252	£315	£63
Visiting community health services (e.g. psychologists, outpatients etc)	£277	£347	£69
Being visited by a community mental health nurse	£143	£158	£16
Being a victim of burglary	£54	£56	£2
Being a victim of street crime (violent crime or mugging)	£67	£70	£3
Experiencing homelessness	£1,075	£2,149	£1,075
Receiving non-statutory social care services	£0	£203	£203
<b>Total</b>	<b>£2,932</b>	<b>£4,707</b>	<b>£1,775</b>

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

Event type	Cost per annum (with SP)	Cost per annum (res or hospital care)	Additional cost (res or hospital care)
Being admitted to hospital due to general health issue	£230	£230	£0
Visiting an A&E department (including to treat for self harm)	£132	£132	£0
Being admitted to an acute mental health ward	£703	£703	£0
Visiting a GP due to general health issue	£252	£252	£0
Visiting community health services (e.g. psychologists, outpatients etc)	£277	£0	(£277)
Being visited by a community mental health nurse	£143	£0	(£143)
Being a victim of burglary	£54	£54	£0
Being a victim of street crime (violent crime or mugging)	£67	£67	£0
Experiencing homelessness	£1,075	£0	(£1,075)
Receiving non-statutory social care services	£0	£0	£0
<b>Total</b>	<b>£2,932</b>	<b>£1,437</b>	<b>(£1,495)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £34,570. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£1,299.2 million** (£34,570 x 37,582).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£487.0 million**.

The breakdown of that financial benefit is as follows.

**Table 3.3.3(ii) Net benefit for people with mental health problems**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(252.5)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Residential Care Package	847.2
Housing costs	(77.0)
Homelessness	3.3
Tenancy failure costs	4.0
Health service costs	4.5
Social services care	4.5
Crime costs	0.1
Benefits and Related Services	(47.0)
<b>Total benefit from other cost areas</b>	<b>739.5</b>
<b>Overall net benefit</b>	<b>487.0</b>

The financial benefits identified here are:

- Supporting People services avoid a residential care cost of £847.2 million (which includes both hospital care), although there are some costs to offset against this:
  - Use of residential care arrangements would reduce expenditure on living expenses for this client group (shown under 'Benefits and Related Services').
  - Use of residential care arrangements would reduce expenditure on housing for this client group.
- Supporting People services avoid a number of homelessness, tenancy failure, health service and social services costs when compared with the alternative provision arrangements – although the figures are not perhaps as great as might be expected because the alternative provision is partly made up packages which are effective in controlling these costs.

The cost to offset against the financial benefit is:

- The cost of providing the Supporting People services themselves, at £252.5 million.



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

### *Non-financial elements*

The earlier research [1] identified uncoded benefits from Supporting People for people with mental health problems as:

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

### **3.3.4 Older people receiving floating support**

#### *Current arrangements and costs*

There are 54,010 household units of older people receiving Supporting People funded floating support services, containing on average 1.10 people each.<sup>8</sup>

Based upon the available data and evidence, we have estimated that the average cost of supporting these household units through existing Supporting People packages is £9,728 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £8,235. This includes a cost to Supporting People of £700, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.4(i) in appendix A.
- Event costs arising from interventions and incidents of £1,493. These are shown later in this section in table 3.3.4(i)(a) and include, for example, becoming a victim of burglary or being admitted to hospital due to a general health issue.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£525.4 million** (£9,728 x 54,010).

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

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

<sup>8</sup>This figure is sourced from data that comes from a sample of Communities and Local Government client record data across five different areas. Based on information on 400 households, the average number of people per household was estimated as 1.095.

- 95% of the group (513,095 households) the packages they currently receive but without the Supporting People component This has been done on the basis that this would allow them to continue to live more independently than other alternatives (but with greater potential risks and event costs than had SP been available); and also that escalated forms of support such as residential care would not be appropriate to meet the needs of the client group and would impede their independence rather than help with it; and
- 5% of household units residential care, on the basis that this percentage of clients would not be able to maintain any meaningful level of independence without the input provided by SP and that residential care represents the best positive alternative form of provision.

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £8,307 per household unit. This is based on an average of £7,535 (see table 6.3.4(ii), appendix A) for the 95% receiving current services but without the SP component and £22,967 (see table 6.3.4(iii), appendix A) for the 5% residential care. ( $£7,535 \times 95\% + £22,967 \times 5\% = £8,307$ ).
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £1,901; an increase of £408. This is made up of an increase of £432 for those who, in the absence of SP, would receive the arrangements they receive at present – and a reduction of £53 for those who, in the absence of SP, would receive residential care. ( $£432 \times 95\% + (-£53) \times 5\% = £408$ ).

The increase of £432 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £299 increase in non-statutory care provided by social services.
- An average £78 increase in costs relating to hospital admissions due to general health issues.
- Other costs of on average £55.
- The full breakdown of the increase is shown in table 3.3.4(i)(a).

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

The reduction of £53 for those who, in the absence of SP, would receive residential care breaks down as follows:

- An average £53 reduction in the cost of burglary, due to the greater security of the environment in a residential or nursing home.
- This is shown in table 3.3.4(i)(b).

The hypothesis behind the small reduction in event costs for clients receiving residential care (see table 3.3.4(i)(b)) is that this intervention would have a similar level of impact to Supporting People services in reducing the level of events. The only exception is burglary which it is thought would be eliminated by provision of nursing or residential care.

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

Event type	Cost per annum (with SP)	Cost per annum (without SP)	Additional cost (without SP)
Visiting a district nurse	£64	£67	£3
Visiting a community health physiotherapist	£73	£77	£4
Visiting a community health occupational therapist	£35	£37	£2
Attending an outpatient appointment	£194	£204	£10
Being admitted to hospital due to general health issue	£727	£805	£78
Having a fall requiring health and social care services	£100	£105	£5
Visiting a GP due to general health issue	£197	£207	£10
Being visited by a community mental health nurse	£8	£8	£0
Being admitted to an acute mental health ward	£10	£11	£1
Being a victim of burglary	£53	£55	£1
Being a victim of street crime (violent crime or mugging)	£32	£33	£1
Experiencing homelessness	£0	£16	£16
Receiving non-statutory home care services	£0	£299	£299
<b>Total</b>	<b>£1,493</b>	<b>£1,925</b>	<b>£432</b>

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

Event type	Cost per annum (with SP)	Cost per annum (res or hospital care)	Additional cost (res or hospital care)
Visiting a district nurse	£64	£64	£0
Visiting a community health physiotherapist	£73	£73	£0
Visiting a community health occupational therapist	£35	£35	£0
Attending an outpatient appointment	£194	£194	£0
Being admitted to hospital due to general health issue	£727	£727	£0
Having a fall requiring health and social care services	£100	£100	£0
Visiting a GP due to general health issue	£197	£197	£0
Being visited by a community mental health nurse	£8	£8	£0
Being admitted to an acute mental health ward	£10	£10	£0
Being a victim of burglary	£53	£0	(£53)
Being a victim of street crime (violent crime or mugging)	£32	£32	£0
Experiencing homelessness	£0	£0	£0
Receiving non-statutory home care services	£0	£0	£0
<b>Total</b>	<b>£1,493</b>	<b>£1,440</b>	<b>(£53)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £10,211. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£551.3 million** (£10,208 x 54,010).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£25.9 million**.

The breakdown of that financial benefit is as follows.

Table 3.3.4(ii) Net benefit for older people receiving floating support

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(37.8)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Residential Care Package	60.3
Housing costs	(10.8)
Homelessness	0.1
Tenancy failure costs	0.7
Health service costs	5.8
Social services care	15.5
Crime costs	(0.0)
Benefits and Related Services	(7.8)
<b>Total benefit from other cost areas</b>	<b>63.7</b>
<b>Overall net benefit</b>	<b>25.9</b>

The major financial benefits are that:

- A £60.3 million cost of residential care is avoided, although there are some costs to offset against this:
  - Use of residential care would reduce the living costs for the client group (shown under 'Benefits and Related Services').
  - Use of residential care would reduce the risk of tenancy failure and associated homelessness costs.
  - Use of residential care would reduce housing costs for the client group.
- A large social services cost is avoided, consisting of non-statutory care.
- Costs associated with homelessness and tenancy failure are reduced by avoiding the risk of tenancy breakdown.
- Crime costs are avoided through provision of advice to prevent burglary and street crime.

The major cost offset against the benefits is:

- The £37.8 million cost of providing the Supporting People services themselves.

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

### *Non-financial elements*

The earlier research [1] identified uncoded benefits from Supporting People for older people as:

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

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

#### *Current arrangements and costs*

There are 27,056 household units of older people in very sheltered accommodation receiving Supporting People services.

Based upon the available data and evidence, we have estimated that the average cost of supporting older people in very sheltered accommodation through existing Supporting People packages is £19,204 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £17,840. This includes a cost to Supporting People of £1,161, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.5(i) in appendix A.
- Event costs arising from interventions and incidents of £1,363. These are shown later in this section in table 3.3.5(i)(a) and include, for example, costs of being a victim of crime (such as burglary) and costs of health interventions such as outpatient attendances and GP visits.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£519.6 million** (£19,204 x 27,056).

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

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

- 50% of the group (13,528 units) the packages they currently receive but without the Supporting People component;
- 30% of the group (8,117 households) nursing care; and
- 20% of the group (5,411 households) residential care.

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

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £22,793 per household unit. This is based on an average of £16,679 (table 6.3.5(ii), appendix A) for the 50% receiving current services but without the SP component, £32,251 (table 6.3.5(iii), appendix A) for the 30% receiving nursing care and £23,892 (table 6.3.5(iv), appendix A) for the 20% receiving residential care. ( $£16,679 \times 50\% + £32,120 \times 30\% + £22,967 \times 20\% = £22,793$ ). (In computing the £17,840 we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution).

- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £1,536; an increase of £173. This is made up of an increase of £395 for those who, in the absence of SP, would receive the arrangements they receive at present, and a reduction of £49 for those who in the absence of SP would receive residential or nursing care. ( $£395 \times 50\% + (-£49) \times (20\% + 30\%) = £173$ ).

The increase of £395 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £273 increase in non-statutory care provided by social services.
- An average £72 increase in costs relating to hospital admissions due to general health issues.
- Other costs of on average £50.
- The full breakdown of the increase is shown in table 3.3.5(i)(a).

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

The reduction of £49 for those who in the absence of SP would receive residential or nursing care breaks down as follows:

- An average £49 reduction in the cost of burglary, due to the greater security of the environment in a residential or nursing care home.
- This is shown in table 3.3.5(i)(b).

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



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

Event type	Cost per annum (with SP)	Cost per annum (without SP)	Additional cost (without SP)
Visiting a district nurse	£59	£62	£3
Visiting a community health physiotherapist	£66	£70	£3
Visiting a community health occupational therapist	£32	£34	£2
Attending an outpatient appointment	£177	£187	£9
Being admitted to hospital due to general health issue	£664	£735	£72
Having a fall requiring health and social care services	£91	£96	£5
Visiting a GP due to general health issue	£180	£189	£9
Being visited by a community mental health nurse	£7	£8	£0
Being admitted to an acute mental health ward	£9	£10	£1
Being a victim of burglary	£49	£50	£1
Being a victim of street crime (violent crime or mugging)	£30	£31	£1
Experiencing homelessness	£0	£14	£14
Receiving non-statutory home care services	£0	£273	£273
<b>Total</b>	<b>£1,363</b>	<b>£1,758</b>	<b>£395</b>

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

Event type	Cost per annum (with SP)	Cost per annum (res or nursing care)	Additional cost (res or nursing care)
Visiting a district nurse	£59	£59	£0
Visiting a community health physiotherapist	£66	£66	£0
Visiting a community health occupational therapist	£32	£32	£0
Attending an outpatient appointment	£177	£177	£0
Being admitted to hospital due to general health issue	£664	£664	£0
Having a fall requiring health and social care services	£91	£91	£0
Visiting a GP due to general health issue	£180	£180	£0
Being visited by a community mental health nurse	£7	£7	£0
Being admitted to an acute mental health ward	£9	£9	£0
Being a victim of burglary	£49	£0	(£49)
Being a victim of street crime (violent crime or mugging)	£30	£30	£0
Experiencing homelessness	£0	£0	£0
Receiving non-statutory home care services	£0	£0	£0
<b>Total</b>	<b>£1,363</b>	<b>£1,315</b>	<b>(£49)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £24,330. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£658.3 million** (£24,330 x 27,056).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£138.7 million**.

The breakdown of that financial benefit is as follows.

**Table 3.3.5(ii) Net benefit for older people in very sheltered accommodation**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(31.4)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Residential Care Package	343.5
Housing costs	(49.2)
Tenancy failure costs	0.2
Health service costs	1.4
Social services care	(89.4)
Crime costs	(0.6)
Benefits and Related Services	(35.8)
<b>Total benefit from other cost areas</b>	<b>170.1</b>
<b>Overall net benefit</b>	<b>138.7</b>

The financial benefits are that:

- Supporting People services avoid a £343.5 million cost of residential care, although there are some costs to be offset against this:
  - Use of residential care would reduce the living costs for the client group (shown under 'Benefits and Related Services'.)
  - Use of residential care would reduce the housing costs for the client group.
  - Use of residential care would reduce crime costs for the client group, by making them less likely to become victims of burglary.
  - Use of residential care would reduce social services costs for the group, as their needs would be met directly by the residential care establishments.
- Health service costs are avoided by SP services reducing the need for hospital care, community healthcare, outpatient care and GP services.
- Tenancy failure costs are avoided through SP services providing help and guidance.

The cost offset against the benefits is:

- The £31.4 million cost of providing the Supporting People services themselves.

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

### *Non-financial elements*

The earlier research [1] identified uncoded benefits from Supporting People for older people as:

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

### **3.3.6 Other older people – principally those in sheltered accommodation**

#### *Current arrangements and costs*

There are 766,936 household units of other older people living in receiving Supporting People services. This group principally consists of those living in sheltered accommodation.

Based upon the available data and evidence, we have estimated that the average cost of supporting this group through existing Supporting People packages is £8,733 per household unit per annum. This is based upon:

- A direct cost of providing the basic support package of £7,369. This includes a cost to Supporting People of £337, as well as housing, social services and benefits costs. The breakdown of this is shown in table 6.3.6(i) of appendix A.
- Event costs arising from interventions and incidents of £1,364. These are shown later in this section in table 3.3.6(i)(a) and include, for example, costs of being a victim of crime (such as burglary) and costs of health interventions such as outpatient attendances and GP visits.

Because the costs we have are averages, this means that the total cost per annum of supporting this client group under existing arrangements is estimated to be **£6,697.6 million** (£8,733 x 766,936).

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

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

- 90% of the group (690,242 households) the packages they currently receive but without the Supporting People component.
- 10% of the group (76,694 households) residential care.

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

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

- First, through removal of the expenditure on Supporting People, it would change the direct cost of packages for supporting the group. This would now be on average £8,441 per household unit. This is based on an average of £7,031 (table 6.3.6(ii), appendix A) for the 90% receiving current services but without the SP component and £21,125 (table 6.3.6(iii), appendix A) for the 10% receiving residential care. ( $£7,031 \times 90\% + £21,125 \times 10\% = £8,441$ ). (In computing the £7,031 we have made the assumption both that the service would be financially viable without the Supporting People contribution and that all of the other funding sources are not dependent on or secured through the Supporting People contribution.)
- Second, it would increase costs associated with events (both negative events that would otherwise be prevented or minimised by provision of SP services and positive interventions that would be minimised by provision of SP services). The average event cost arising from interventions and incidents would now be £1,715; an increase of £351. This is made up of an increase of £395 for those who, in the absence of SP would receive the arrangements they receive at present, and a reduction of £49 for those who in the absence of SP would receive residential care. ( $£395 \times 90\% + (-£49) \times 10\% = £351$ ). The principal additional event costs would be.

The increase of £395 for those who, in the absence of SP, would receive the arrangements they receive at present breaks down as follows:

- An average £273 increase in non-statutory care provided by social services.
- An average £72 increase in costs relating to hospital admissions due to general health issues.
- Other costs of on average £50.
- The full breakdown of the increase is shown in table 3.3.6(i)(a).

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

The reduction of £49 for those who, in the absence of SP would receive residential or nursing care, breaks down as follows:

- An average £49 reduction in the cost of burglary, due to the greater security of the environment in a residential or nursing care home.
- This is shown in table 3.3.6(i)(b).

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

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

Event type	Cost per annum (with SP)	Cost per annum (without SP)	Additional cost (without SP)
Visiting a district nurse	£59	£62	£3
Visiting a community health physiotherapist	£66	£70	£3
Visiting a community health occupational therapist	£32	£34	£2
Attending an outpatient appointment	£177	£187	£9
Being admitted to hospital due to general health issue	£664	£735	£72
Having a fall requiring health and social care services	£91	£96	£5
Visiting a GP due to general health issue	£180	£189	£9
Being visited by a community mental health nurse	£7	£8	£0
Being admitted to an acute mental health ward	£9	£10	£1
Being a victim of burglary	£49	£50	£1
Being a victim of street crime (violent crime or mugging)	£30	£31	£1
Experiencing homelessness	£0	£14	£14
Receiving non-statutory home care services	£0	£273	£273
<b>Total</b>	<b>£1,364</b>	<b>£1,759</b>	<b>£395</b>

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

<b>Event type</b>	<b>Cost per annum (with SP)</b>	<b>Cost per annum (res care)</b>	<b>Additional cost (res care)</b>
Visiting a district nurse	£59	£59	£0
Visiting a community health physiotherapist	£66	£66	£0
Visiting a community health occupational therapist	£32	£32	£0
Attending an outpatient appointment	£177	£177	£0
Being admitted to hospital due to general health issue	£664	£664	£0
Having a fall requiring health and social care services	£91	£91	£0
Visiting a GP due to general health issue	£180	£180	£0
Being visited by a community mental health nurse	£7	£7	£0
Being admitted to an acute mental health ward	£9	£9	£0
Being a victim of burglary	£49	£0	(£49)
Being a victim of street crime (violent crime or mugging)	£30	£30	£0
Experiencing homelessness	£0	£0	£0
Receiving non-statutory home care services	£0	£0	£0
<b>Total</b>	<b>£1,364</b>	<b>£1,316</b>	<b>(£49)</b>

Through those changes, the average cost per household unit per annum of support through this different package would be £10,155. Based on that, the total cost of supporting the client group in the alternative provision scenario (including both the basic package costs and the costs of events happening to clients) is **£7,788.5 million** (£10,155 x 766,936).

Therefore, the best available estimate of the net financial benefit from providing Supporting People services to this client group is the difference between the existing costs and the costs under the alternative provision scenario, i.e. **£1,090.9 million**.



The breakdown of that financial benefit is as follows.

**Table 3.3.6(ii) Net benefit for other older people – principally those in sheltered accommodation**

<b>Cost of providing SP services</b>	<b>(Cost) £m</b>
Cost of providing SP services	(258.7)
<b>Other cost areas affected</b>	<b>Benefit/(cost) £m</b>
Residential Care Package	1,562.9
Housing costs	(279.2)
Homelessness	0.8
Tenancy failure costs	9.1
Health service costs	71.1
Social services care	189.9
Crime costs	(2.1)
Benefits and Related Services	(202.8)
<b>Total benefit from other cost areas</b>	<b>1,349.6</b>
<b>Overall net benefit</b>	<b>1,090.9</b>

The financial benefits are that:

- Supporting People services avoid a £1,562.9 million cost of residential care, although there are some costs to be offset against this:
  - Use of residential care would reduce the living costs for the client group (shown under 'Benefits and Related Services'.)
  - Use of residential care would reduce the Housing costs for the client group.
  - Use of residential care would reduce crime costs for the client group, by making them less likely to become victims of burglary.
- Health Service costs are avoided by SP services reducing the need for hospital care, community healthcare, outpatient care and GP services.
- Tenancy failure costs are avoided through SP services providing help and guidance.
- A large Social Services care cost is avoided.

The cost offset against the benefits is:

- The £258.7 million cost of providing the Supporting People services themselves.

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

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

The earlier research [1] identified uncoded benefits from Supporting People for older people as:

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

## 3.4 Conclusion

The findings of this work are that the best overall estimate of net financial benefits from the Supporting People Programme is £2.77 billion per annum for the client groups considered (against an overall investment of £1.55 billion).

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

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

Event type	Cost (£m)	Net financial benefit (£m)
Women at risk of domestic violence	(59.5)	85.7
People with drug problems	(24.3)	96.3
Homeless families in settled accommodation	(28.7)	1.2
Homeless families in temporary accommodation	(25.0)	50.2
Homeless single people in settled accommodation	(147.8)	9.1
Homeless single people in temporary accommodation	(127.2)	77.2
People with learning disabilities	(405.6)	664.2
People with mental health problems	(252.5)	487.0
Offenders and those at risk of offending	(46.7)	24.9
Older people – sheltered accommodation and other	(258.7)	1,090.9
Older people – very sheltered	(31.4)	138.7
Older people – floating support	(37.8)	25.9
Young people at risk in settled accommodation	(72.6)	5.6
Young people at risk in temporary accommodation	(29.1)	10.4
<b>Total</b>	<b>(1,546.8)</b>	<b>2,767.3</b>

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

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

**Table 3.4.2 Costs and estimated net benefits per 1,000 units of Supporting People services by client group**

<b>Client group</b>	<b>Cost per 1,000 units of support (£m)</b>	<b>Net financial benefit per 1,000 units of support (£m)</b>
Women at risk of domestic violence	(10.1)	14.6
People with drug problems	(6.6)	26.1
Homeless families in settled accommodation	(3.0)	0.1
Homeless families in temporary accommodation	(3.7)	7.5
Homeless single people in settled accommodation	(5.2)	0.3
Homeless single people in temporary accommodation	(8.1)	4.9
People with learning disabilities	(12.5)	20.5
People with mental health problems	(6.7)	13.0
Offenders & those at risk of offending	(7.3)	3.9
Older people – sheltered accommodation and other	(0.3)	1.4
Older people – very sheltered	(1.2)	5.1
Older people – floating support	(0.7)	0.5
Young people at risk in settled accommodation	(7.0)	0.5
Young people at risk in temporary accommodation	(8.5)	3.0

As with Table 3.4.1, the findings here again indicate that, for each of the client groups considered, the costs of supporting outweigh the overall costs of not supporting. This would suggest that the withdrawal of support for these groups may create a higher cost elsewhere. In addition, the relatively higher degree of net benefits for certain client groups would suggest that authorities may wish to treat these as higher local priorities for increasing service provision where resources are available.

Finally, in line with the approach taken in the previous research [1], we have considered and estimated the costs and savings to other services and areas of public expenditure. This is set out in the table below:

**Table 3.4.3 Estimated net Benefit of Supporting People Services by cost area**

<b>Costs of SP services (and associated costs)</b>	<b>(Cost) £m</b>
<b>Cost of providing SP services</b>	<b>(1,546.8)</b>
Housing costs	(380.3)
Social services care	(125.2)
Benefits and Related Services	(310.7)
<b>Total of costs (costs introduced)</b>	<b>(2,363.0)</b>
Residential Care Package	4,418.1
Homelessness	104.1
Tenancy failure costs	44.8
Health service costs	265.9
Crime costs	297.3
<b>Total of benefits (costs avoided)</b>	<b>5,130.3</b>
<b>Overall net benefit</b>	<b>2,767.3</b>

This analysis suggests that, within the overall net benefit of £2.77 billion, the removal of Supporting People services would lead to:

- Increased costs in the areas of residential care packages, homelessness, tenancy failure and crime; and
- Corresponding reductions in cost in the areas of SP services, housing costs, social services care and benefits and related services.

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

As has been discussed, the findings are best estimates rather than certainties. It can be seen in table 3.4.2 that a large proportion of the financial benefit arises from avoided residential care packages, (although avoidance of these packages also introduces costs because living independently adds to housing, social services and living costs). Consequently, for those groups where residential care is considered to be a key alternative if support were to be withdrawn, the extent to which those currently supported through Supporting People would instead receive residential care is an important model driver.

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

*For clients*

- Improved mental and physical health
- Improved quality of life
- Greater choice in options of where and how to live
- Increased participation in the community and decreased isolation
- Decreased fear of crime
- Increased ease of access to appropriate services
- Improved involvement in the community
- Increased stability, and in particular greater housing stability, allowing people to deal with issues in their lives
- Increased access to appropriate services
- Improved educational and health outcomes for children
- Reduced fear of crime
- Reduced anti-social behaviour

- Acquisition of life skills such as cooking, shopping and management of finances
- Keeping families together
- Reduced risk of death (through being a victim of crime).

*For others*

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

## 4 References

- [1] Benefits Realisation of the Supporting People Programme, Communities and Local Government, November 2004.
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- [3] Curtis and Netten, Unit Costs of Health and Social Care 2005, Personal Social Services Research Unit, University Of Kent, 2005.
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- [8] BBC Crimefighters Probation Service Profile, [www.bbc.co.uk/crime/fighters/probationservice.shtml](http://www.bbc.co.uk/crime/fighters/probationservice.shtml).
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- [10] An essential element of effective practice: An Inspection of National Probation Service Work On Offender Accommodation, Home Office, 2005.
- [11] Matrix SP services survey, 2004.
- [12] Estimating the long and short term costs of statutory homeless to households and service providers, ODPM, Dec 2003.



## 5 Glossary

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

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

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

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

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

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

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

**Temporary and settled accommodation:** Details of standard Supporting People categories as they relate to temporary and settled accommodation are shown in the following table:

Supporting People category	Accommodation Type
Homeless single people in temporary accommodation	Foyer for young people, Homeless hostel, B+B, or other accommodation
Homeless single people in settled accommodation	All other service types except Foyer for young people, Homeless hostel, B+B, or other accommodation
Homeless families in temporary accommodation	Women's refuge, Homeless hostel, B+B, or other temporary accommodation
Homeless families in settled accommodation	All other service types except Women's refuge, Homeless hostel, B+B, or other temporary accommodation
Older people in sheltered accommodation	Sheltered, alms house, supported housing, supported lodging, and any service type except floating support
Older people in very sheltered accommodation	Very sheltered, and any service type except floating support
Older people receiving floating support	Service type is floating support
Older people Other	Any service type except floating support, any accommodation type except sheltered, alms house, supported housing, supported lodging, very sheltered
Young people at risk in temporary accommodation	Foyer for young people, Homeless hostel, B+B, or other accommodation
Young people at risk in settled accommodation	All other service types except Foyer for young people, Homeless hostel, B+B, or other accommodation

## 6 Appendix A: Data gathered

### 6.1 Purpose

The estimated total costs of packages that involve Supporting People services have been collected from a variety of sources. The costs of the packages considered are documented here, with costs per household unit. Sources are identified in the table. It should be noted that in all cases costs of packages are estimates of averages – and as such they represent a spread of costs. In some cases, calculations are referenced; these calculations can be found in section 6.4.

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

### 6.2 Socially excluded groups

#### 6.2.1 Women escaping domestic violence

Table 6.2.1(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£10,121	SP best estimate
Housing costs	£7,800	SP leads estimate of £150 per week
Social services care	£419	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£8,120	£7,280 (£140 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£26,460</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.2.1(ii) Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing costs	£7,800	SP leads estimate of £150 per week
Social services care	£419	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£8,120	£7,280 (£140 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£16,339</b>	

## 6.2.2 Homeless families in settled accommodation

Table 6.2.2(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£2,971	SP best estimate
Housing costs	£7,800	SP leads estimate of £150 per week
Social services care	£166	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£8,120	£7,280 (£140 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£19,056</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.2.2(ii) Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing costs	£7,800	SP leads estimate of £150 per week.
Social services care	£166	Estimate from 2004 survey data [11]. Inflation applied.
Benefits and Related Services	£8,120	£7,280 (£140 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied.
<b>Total</b>	<b>£16,085</b>	

### 6.2.3 Homeless families in temporary accommodation

Table 6.2.3(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£3,716	SP best estimate.
Housing costs	£7,800	SP leads estimate of £150 per week.
Social services care	£669	Estimate from 2004 survey data [11]. Inflation applied.
Benefits and Related Services	£8,120	£7,280 (£140 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied.
<b>Total</b>	<b>£20,304</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.2.3(ii) Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing costs	£7,800	SP leads estimate of £150 per week
Social services care	£669	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£8,120	£7,280 (£140 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£16,588</b>	

#### 6.2.4 Homeless single people in settled accommodation

Table 6.2.4(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£5,180	SP best estimate
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£443	Estimate from 2004 survey data [11]. Inflation applied
Crime costs	£1,093	Home Office estimate of Probation Cost [Calculation 3], multiplied by 20% (Communities and Local Government estimate of proportion of client group using Probation services). Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£14,315</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.2.4(ii) Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£443	Estimate from 2004 survey data [11]. Inflation applied
Crime costs	£1,093	Home Office estimate of Probation Cost [Calculation 3], multiplied by 20% (Communities and Local Government estimate of proportion of client group using Probation services). Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£9,135</b>	

### 6.2.5 Homeless single people in temporary accommodation

Table 6.2.5(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£8,137	SP best estimate.
Housing costs	£7,020	SP leads estimate of £135 per week.
Social services care	£529	Estimate from 2004 survey data [11]. Inflation applied
Crime costs	£1,093	Home Office estimate of Probation Cost [Calculation 3], multiplied by 20% (Communities and Local Government estimate of proportion of client group using Probation services). Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£20,738</b>	



Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.2.5(ii) Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing costs	£7,020	SP leads estimate of £135 per week
Social services care	£529	Estimate from 2004 survey data [11]. Inflation applied
Crime costs	£1,093	Home Office estimate of Probation Cost [Calculation 3], multiplied by 20% (Communities and Local Government estimate of proportion of client group using Probation services). Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£12,601</b>	

## 6.2.6 Offenders and those at risk of offending

Table 6.2.6(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£7,258	SP best estimate
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£458	Estimate from 2004 survey data [11]. Inflation applied
Crime costs	£5,463	Home Office estimate of Probation Cost [Calculation 3]. Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£20,779</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.2.6(ii) Package without Supporting People services (the existing package but without SP services); applies to all household units.

Component	Cost per annum	Source
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£458	Estimate from 2004 survey data [11]. Inflation applied
Crime costs	£5,463	Home Office estimate of Probation Cost [Calculation 3]. Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£13,520</b>	

### 6.2.7 Young people at risk in settled accommodation

Table 6.2.7(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£6,991	SP best estimate
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£425	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£15,015</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.2.7(ii) Package without Supporting People services (the existing package but without SP services); applies to 95% of household units.

Component	Cost per annum	Source
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£425	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£8,024</b>	

**Table 6.2.7(iii) Package involving inpatient psychiatric care; applies to 5% of household units.**

<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Care Package	£62,775	PSSRU 2005 [3]: (Total £164 per inpatient day exc living costs, p55), with inflation applied
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£882	PSSRU 2005 [3]: (£2.30 per day living costs, p55), with inflation applied
<b>Total</b>	<b>£66,657</b>	

### 6.2.8 Young people at risk in temporary accommodation

**Table 6.2.8(i) Package with Supporting People services (the existing package) – cost per household unit per annum**

<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
SP Package	£8,508	SP best estimate
Housing costs	£7,020	SP leads estimate of £135 per week
Social services care	£571	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£20,059</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.2.8(ii) Package without Supporting People services (the existing package but without SP services); applies to 95% of household units.

Component	Cost per annum	Source
Housing costs	£7,020	SP leads estimate of £135 per week
Social services care	£571	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£11,550</b>	

Table 6.2.8(iii) Package involving inpatient psychiatric care; applies to 5% of household units.

Component	Cost per annum	Source
Residential Care Package	£62,775	PSSRU 2005 [3]: (Total £164 per inpatient day exc living costs, p55), with inflation applied
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£882	PSSRU 2005 [3]: (£2.30 per day living costs, p55), with inflation applied
<b>Total</b>	<b>£66,657</b>	

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

### 6.3.1 People with drug problems

Table 6.3.1(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£6,599	SP best estimate of cost
Housing costs	£3,640	SP leads estimate of £70 per week
Health service costs	£2,111	Call for evidence estimate giving £4,222 pa as the cost of a joint health service/CJS drug treatment programme
Social services care	£2,304	SP leads estimate (80% of clients requiring 3 hours of social work per month at £80 per hour)
Crime costs	£2,111	Call for evidence estimate giving £4,222 pa as the cost of a joint health service/CJS drug treatment programme
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£20,724</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.3.1(ii) Package involving residential care (rehabilitation arrangement) applies to 80% of household units.

Component	Cost per annum	Source
Residential Care Package	£39,172	PSSRU 2005 [3]: £717 per week for residential rehabilitation. Inflation added
Social services care	£2,304	SP leads estimate (80% of clients requiring 3 hours of social work per month at £80 per hour)
Crime costs	£2,111	Call for evidence estimate giving £4,222 pa as the cost of a joint health service/CJS drug treatment programme
Benefits and Related Services	£3,120	£3,120 (£60 per week) SP leads estimate
<b>Total</b>	<b>£46,707</b>	

Table 6.3.1(iii) Package involving inpatient care; applies to 20% of household units.

Component	Cost per annum	Source
Residential Care Package	£72,477	PSSRU 2005 [3]: £189 per day for inpatient care for people with drug/ alcohol problems. Inflation added
Social services care	£2,304	SP leads estimate (80% of clients requiring 3 hours of social work per month at £80 per hour)
Crime costs	£2,111	Call for evidence estimate giving £4,222 pa as the cost of a joint health service/CJS drug treatment programme
Benefits and Related Services	£3,120	£3,120 (£60 per week) SP leads estimate
<b>Total</b>	<b>£80,012</b>	

### 6.3.2 People with learning disabilities

Table 6.3.2(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£12,542	SP best estimate
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£15,000	SP leads estimate
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£35,141</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.3.2(ii) Package without Supporting People services (the existing package but without SP services); applies to 35% of household units.

Component	Cost per annum	Source
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£15,000	SP leads estimate
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£22,600</b>	



Table 6.3.2(iii) Package involving residential care; applies to 65% of household units.

Component	Cost per annum	Source
Residential Care Package	£66,215	PSSRU 2005 [3]: Weekly costs of £1,017 (establishment) + £162 (day services) + £33 (community services). Inflation applied
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£3,387	£3,224 (PSSRU 2005 [3]: £62 per week living cost while in residential care) Inflation applied
<b>Total</b>	<b>£72,602</b>	

### 6.3.3 People with mental health problems

Table 6.3.3(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£6,720	SP best estimate
Housing costs	£5,000	SP leads estimate
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£18,679</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.3.3(ii) Package without Supporting People services (the existing package but without SP services); applies to 59% of household units.

Component	Cost per annum	Source
Housing costs	£5,000	SP leads estimate
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£3,960	£3,120 (£60 per week) SP leads estimate + £799 unit cost of Job Centre administration [Calculation 2] with inflation applied
<b>Total</b>	<b>£11,960</b>	

Table 6.3.3(iii) Package involving residential care; applies to 8% of household units.

Component	Cost per annum	Source
Residential Care Package	£22,847	PSSRU 2005 [3]: (Total £418 per week, £437 less £19 living expenses, p49 of report), with inflation applied
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£1,027	PSSRU 2005 [3]: (Total £18.80 per week living expenses, p55 of report), with inflation applied
<b>Total</b>	<b>£26,874</b>	

Table 6.3.3(iv) Package involving hospital care; applies to 33% of household units.

Component	Cost per annum	Source
Residential Care Package	£62,775	PSSRU 2005 [3]: (Total £164 per inpatient day exc. living costs, p55) with inflation applied
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£882	Estimate from the PSSRU report
<b>Total</b>	<b>£66,657</b>	

#### 6.3.4 Older people receiving floating support

Table 6.3.4(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£700	SP best estimate
Housing costs	£3,986	SP leads estimate of £70 per week. Multiplier of 1.095 people per household applied
Social services care	£90	Estimate 2004 survey data [11]. Inflation applied
Benefits and Related Services	£3,459	£3,120 (£60 per week) SP leads estimate + £37 administration costs for a pensioner (DWP) [Calculation 1] with inflation applied. Multiplier of 1.095 people per household applied
<b>Total</b>	<b>£8,235</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.3.4(ii) Package without Supporting People services (the existing package but without SP services); applies to 95% of household units.

Component	Cost per annum	Source
Housing costs	£3,986	SP leads estimate of £70 per week. Multiplier of 1.095 people per household applied
Social services care	£90	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£3,459	£3,120 (£60 per week) SP leads estimate + £37 administration costs for a pensioner (DWP) [Calculation 1] with inflation applied. Multiplier of 1.095 people per household applied
<b>Total</b>	<b>£7,535</b>	

Table 6.3.4(iii) Package involving residential care; applies to 5% of household units.

Component	Cost per annum	Source
Residential Care Package	£22,314	PSSRU 2005 [3]: £373 per week. Inflation added. Multiplier of 1.095 people per household unit applied
Social services care	£90	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£563	£461 Living expenses (PSSRU 2005 [3]: £8.70 per week) + £37 administration costs for a pensioner (DWP). Inflation added. Multiplier of 1.095 people per household unit applied
<b>Total</b>	<b>£22,967</b>	

### 6.3.5 Older people in very sheltered accommodation

Table 6.3.5(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£1,161	SP best estimate
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£9,880	Call for evidence estimate
Benefits and Related Services	£3,159	£3,120 (£60 per week) SP leads estimate + £37 administration costs for a pensioner (DWP) [Calculation 1] with inflation applied
<b>Total</b>	<b>£17,840</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.3.5(ii) Package without Supporting People services (the existing package but without SP services); applies to 50% of household units.

Component	Cost per annum	Source
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£9,880	Call for evidence estimate
Benefits and Related Services	£3,159	£3,120 (£60 per week) SP leads estimate + £37 administration costs for a pensioner (DWP) [Calculation 1] with inflation applied
<b>Total</b>	<b>£16,679</b>	

**Table 6.3.5(iii) Package involving nursing care; applies to 30% of household units.**

<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Care Package	£28,737	PSSRU 2005 [3]: £526 per week. Inflation added
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£514	£461 Weekly living expenses (PSSRU 2005 [3]: £8.70 per week) + £37 administration costs for a pensioner (DWP). Inflation added
<b>Total</b>	<b>£32,251</b>	

**Table 6.3.5(iv) Package involving residential care; applies to 20% of household units.**

<b>Component</b>	<b>Cost per annum</b>	<b>Source</b>
Residential Care Package	£20,378	PSSRU 2005 [3]: £373 per week. Inflation added
Social services care	£3,000	SP leads estimate
Benefits and Related Services	£514	£461 Weekly living expenses (PSSRU 2005 [3]: £8.70 per week) + £37 administration costs for a pensioner (DWP). Inflation added
<b>Total</b>	<b>£23,892</b>	

### 6.3.6 Other older people – principally those in sheltered accommodation

Table 6.3.6(i) Package with Supporting People services (the existing package) – cost per household unit per annum

Component	Cost per annum	Source
SP Package	£337	SP best estimate
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£232	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£3,159	£3,120 (£60 per week) SP leads estimate + £37 administration costs for a pensioner (DWP) [Calculation 1] with inflation applied
<b>Total</b>	<b>£7,369</b>	

Packages considered as part of the alternative scenario – costs per household unit per annum

Table 6.3.6(ii) Package without Supporting People services (the existing package but without SP services); applies to 90% of household units.

Component	Cost per annum	Source
Housing costs	£3,640	SP leads estimate of £70 per week
Social services care	£232	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£3,159	£3,120 (£60 per week) SP leads estimate + £37 administration costs for a pensioner (DWP) [Calculation 1] with inflation applied
<b>Total</b>	<b>£7,031</b>	

**Table 6.3.6(iii) Package involving residential care; applies to 10% of household units.**

Component	Cost per annum	Source
Residential Care Package	£20,378	PSSRU 2005 [3]: £373 per week. Inflation added
Social services care	£232	Estimate from 2004 survey data [11]. Inflation applied
Benefits and Related Services	£514	£461 Weekly living expenses (PSSRU 2005 [3]: £8.70 per week) + £37 administration costs for a pensioner (DWP). Inflation added
<b>Total</b>	<b>£21,125</b>	

## 6.4 Calculations underlying costs of basic packages

### **Calculation 1: Benefit administration costs for an older person**

Annual cost of DWP administration for pensions 2004-05 [4]: £435,000,000.

Number of pensioners (Nov 04)[5]: 11,710,580.

Annual cost of DWP administration per pensioner, 2004 prices: £37.

### **Calculation 2: Job Centre administration costs for people of working age**

The project has been advised by DWP that the majority of people of working age who claim benefits are processed by Job Centres. The annual cost of that is calculated as follows.

Annual net cost of running Job Centres 2004-05 [6]: £4,235,176,000.

Number of DWP clients of working ages [5] (Nov 04): 5,299,210.

Annual cost of Job Centre administration per person of working age, 2004 prices: £799.

### **Calculation 3: Cost of providing Probation Services**

Annual cost of running the National Probation Service 2005-06 [7]: £932,700,000.

Number of people supervised by NPS [8]: 175,000.

Annual cost of NPS per service user, 2005 prices: £5,330.



# 7 Appendix B: Updates to the earlier research

## 7.1 Outline

As discussed in section 2.4, the earlier research [1] has been updated using the latest available data. In addition:

- A new model has been added to it to cover the additional client group of “Young People at Risk”
- Assumptions relating to rates of re-offending have been adjusted in view of discussions with the Policy Team for Offender Housing in NOMS.

## 7.2 Young People at Risk

The earlier research contained a model for each client group. A model has been created for young people at risk as part of the present work, by re-using the earlier research’s model for homeless single people and adjusting assumptions as appropriate. The assumptions made for homeless single people and those for young people at risk are shown in table 7.2 for comparison.

Young people at risk are defined by the Supporting People Programme as “young people aged 16-25 who are homeless or in insecure accommodation.” Because the secondary client groups for young people at risk in the Programme’s data indicate that the group’s problems are split between homelessness and other issues, it was considered that the impacts of Supporting People services on incidence of events would have levels that were between those assumed for homeless people and for other groups. That leads to the lower impacts for young people at risk than for other client groups.

The new assumptions for young people at risk have been validated in discussion with the then Social Exclusion Unit in Communities and Local Government (drawing upon their recent work on Young Adults with Complex Needs), and the full model can be viewed in the financial modelling spreadsheet [2].

**Table 7.2 Assumptions in models for Homeless Single People and Young People at Risk**

<b>Assumption</b>	<b>Homeless Single People</b>	<b>Young People at Risk</b>
Percentage of people in temporary accommodation who are helped to move to settled accommodation using Supporting People Services	29%	29%
Proportion of people in temporary accommodation who would sleep rough if they were not receiving Supporting People Services	30%	15%
Reduction in level of admission to hospital due to general health issues due to provision of Supporting People Services	30%	15%
Reduction in attendance of outpatient appointments due to provision of Supporting People Services	30%	15%
Reduction in being visited by community mental health nurse due to provision of Supporting People Services	30%	7.5%
Reduction in level of visits to A&E due to provision of Supporting People Services	30%	25%
Reduction in level of admission to acute mental health wards	30%	15%
Reduction in level of being treated for drug problems	30%	15%
Reduction in level of being treated for alcohol problems	30%	15%
Reduction in risk of being a victim of burglary (amongst those in settled accommodation)	30%	15%
Reduction in risk of being a victim of street crime (violent crime or mugging) if advice provided by Supporting People Services	30%	15%
Reduction in level of re-offending amongst those in settled accommodation	20%	20%

## 7.3 Re-offending Assumptions

The earlier research contained assumptions concerning rates of offending. These applied to the client groups of homeless single people (both in temporary and settled accommodation) and offenders. In both cases it was assumed that levels of offending would be reduced by 5%. (See working assumption 24 in working paper 4 of [1]. See also working assumption 44 in working paper 2 of [1]).

Through this research, it has been determined that 20% was a more appropriate estimate – and that number has been used in the financial modelling for the above groups and also for young people at risk (both in temporary and settled accommodation).

This decision was informed by the following:

- The SEU report “Reducing Re-offending among ex-prisoners” [9] cites a 20% reduction in re-offending caused by stable accommodation.
- The Probation Service’s thematic report on levels of Accommodation [10] suggests re-offending rates of 36.3% among those who have an accommodation need and 19.3% amongst those who do not. This suggests that those who do not have accommodation needs are over 40% less likely to re-offend than those who do.

It was considered that there would be a natural correlation between finding stable accommodation and not to re-offending, with, for example, better motivated prisoners being likely to achieve both as a result of their motivation. Therefore, in consultation with the Policy Team for Offender Housing in NOMS, it was considered that 40% was too high an estimate to use, but that, in the light of the available data sources, 20% was appropriate.





