

Social Justice and Regeneration Research Summary



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Costs and Benefits of the Supporting People Programme

Executive Summary



Dadansoddi ar gyfer Polisi



Analysis for Policy

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1.0 Introduction

The Supporting People programme seeks to enable vulnerable people to gain and retain independence by remaining in their own home. Through an integrated policy and funding framework, the programme aims to deliver high quality and strategically planned housing-related services which are cost-effective and reliable, complementing existing care services.

Launched on 1st April 2003, the programme marked a change in the way in which supported housing and related services are organised, delivered and funded. The situation prior to this could be described as ad hoc, with little or no strategic planning and little needs-led provision or integration of services. Supporting People was developed to change this situation through the development of specific policy objectives and aims around supported housing; the development of a coherent framework for the planning and commissioning of services at the local level; and a shift in funding of services from demand-driven funding via housing benefit to cash-limited funding via grant allocations to local authorities.

A key question facing the Welsh Assembly Government is: what is the value of Supporting People? In particular, Supporting People services can help prevent or defer more costly support services, such as residential or nursing home support, hospitalisation, or use of temporary accommodation. Given the size of the Supporting People budget, and its recent initiation, Welsh Assembly Government has commissioned this study to quantify the costs and benefits, primarily those to the public purse, of the Supporting People programme in Wales.

2.0 Methodology

This study follows on from the *Benefits Realisation of the Supporting People Programme* study conducted for England (ODPM, 2004), also undertaken by Matrix. Both the English 2004 study and this study for the Welsh Assembly Government combined desk-based literature reviews, stakeholder consultation and economic modelling. No primary data collection was undertaken. This study used the English study by building on the literature review, stakeholder consultation and modelling and attempted to address some of its key limitations. An advisory panel of three academics, based in Wales was formed to advise the project at key stages.

The original literature review found that although there is a body of qualitative research that identifies the types of benefits which are reported or expected from Supporting People services, as yet there have not been any large scale evaluations of housing related support for any client groups and no information on the level of impact that these services have on the behaviour and experiences of those receiving them. This study found that this situation remains largely the same. Beyond the lack of a strong evidence base on which to form assumptions of the impact of Supporting People, this study has a number of key limitations. These limitations stem from a need to limit the complexity of the model and minimise the assumptions upon which it is based. Limitations include:

- This study does not take into account variations in the intensity and type of support offered to service users;

- Quality of programme implementation could not be incorporated into the models;
- This study does not postulate alternative services that may be implemented in the absence of Supporting People;
- This study only includes savings made within a single year; and
- This model does not include benefits where there is insufficient data to allow inclusion in the models, or where benefits have not been quantified by previous research.

The following groups were excluded from the model:

- People with chronic illness including HIV/AIDS and related conditions
- Vulnerable single parents
- Refugees
- People with a physical disability who require support

Given these limitations the study has adopted a cautious approach to estimating the impact of Supporting People on the public purse. Stakeholders without exception reported higher impact levels than the ones chosen for the model. By this measure, the impact estimates in the model can be considered conservative.

3.0 Costs and Service user levels

Data were collected on the costs and numbers of service users during the financial year 2005-2006. A service user is defined as an initial contact with a service i.e. the total number of individuals who have had contact with a service during the year.

Client group	Total costs	Total service users	Spend per service user
Women seeking refuge from domestic violence	£8,240,764	2885	£2,856
People with learning disabilities	£37,227,400	2700	£13,787
People with mental health problems	£14,813,352	2693	£5,500
People with alcohol dependency	£3,624,741	994	£3,646
People with drug problems	£3,740,526	794	£4,710
Young single homeless and young people leaving care	£7,364,103	2401	£3,067
Ex-offenders	£3,688,027	936	£3,940
Homeless or potentially homeless people	£13,928,379	9036	£1,541
Older People	£14,464,554	22266	£649
Total	£107,091,845	44706	£2,395

Figure 1: Combined costs and service users

This study is based on 83.3 per cent of the total spend of the Supporting People programme in Wales. (The total spend is £128,493,616.)

4.0 Impacts

A stakeholder consultation exercise was undertaken and participants were invited to comment on the impacts and suggest their own estimates in response to Matrix's estimates. Stakeholders found it difficult to comment on the figures (which were largely based on the previous study). This was mainly due to a lack of empirical evidence to support challenges to the initial assumptions. However for those stakeholders that did return questionnaires, in every case they estimated higher impact levels to those in the model. By this measure, the impact estimates in the model can be considered conservative.

Five per cent has been used as a default level where there is no obvious logic or reliable evidence to suggest otherwise. This is considered a low figure that will not overestimate the impact of Supporting People.

5.0 Findings and conclusions

The total financial benefits as a result of Supporting People, that were modelled in this study, are £180,064,389. This compares to a total modelled spend of £107,091,845. The value of the benefits of the Supporting People programme are calculated using a series of assumptions. The calculations in the models are likely to change as research around the programme is undertaken. Evidence on the value of un-costed benefits – largely benefits to the individual services user, their families and wider communities – is also likely to improve over time.

The modelled benefits of the Supporting People programme in Wales, categorised by client group are shown in figure 2 below.

	Client group	Spend	Quantifiable savings	Net benefit
e1	Women seeking refuge from domestic violence	£8,240,763	£56,187,110	£47,946,346
e2	People with learning disabilities	£37,227,399	£40,569,794	£3,342,394
e3	People with mental health problems	£14,813,351	£10,874,989	-£3,938,362
e4	People with alcohol dependency	£3,624,740	£1,414,946	-£2,209,794
e5	Problem drug users	£3,740,525	£1,427,886	-£2,312,639
e8	Young single homeless and young people leaving care	£7,364,103	£4,965,955	-£2,398,148
e9	Ex-offenders	£3,688,027	£3,568,315	-£119,712
e10	Homeless or potentially homeless people	£13,928,379	£31,024,855	£17,096,475
e14	Older People	£14,464,553	£30,030,539	£15,565,985
	Totals	£107,091,845	£180,064,389	£72,972,545

Figure 2: Overall findings by client group

The negative figures constitute client groups for which the *quantifiable* savings are lower than the spend. Given the limitations in what can be quantified it should not be inferred that these services are poor value.

For the nine client groups studied, the evidence base suggests that there are benefits of Supporting People services that accrue to the individual in receipt of housing related support, their families and wider communities as well as to the public purse. While some of these potential benefits are fairly amenable to measurement and valuation (for example the resources devoted to dealing with longer hospital stays), others are more difficult (for example the value to the individual of improved health). These un-costed benefits may be very important to the individual, their families and to society as a whole and need to be considered alongside those which have been modelled when considering public expenditure investment decisions.

The modelled savings to the public purse were grouped into thematic areas, and the findings for each thematic area are shown in figure 3 below.

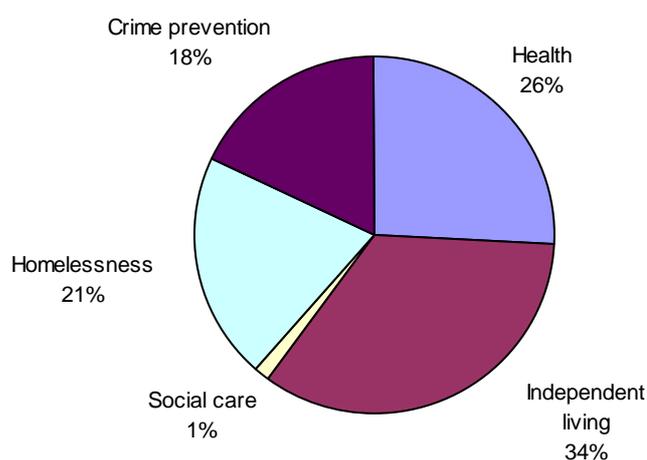


Figure 3: Modelled savings by thematic area

Health

The total modelled financial benefits of Supporting People within this thematic area are £46,281,801. Health benefits account for 26 per cent of the total calculated savings. This covers savings in relation to the need for health services as a result of improved or maintained health status or appropriate access to services. The potential savings modelled include: reductions in admissions to hospital; length of stay and delayed discharge from hospital; mental health services; visits to A&E; access to primary care services; and use of treatment services (for example, drug treatment services). The health benefits that have been modelled accrue to the exchequer. There is ongoing research in relation to the monetary value of un-costed health benefits in terms of the impact of improved health on the individual.

Independent living

The total modelled financial benefits of Supporting People within this thematic area are £61,743,028. The costed benefits of independent living account for 34 per cent of the total value

of benefits as calculated by this study. This covers benefits in relation to increased choice and range of appropriate accommodation options. The costed benefits in terms of independent living cover the level of residential or nursing home care that would be required if Supporting People did not exist. Independent living is an area where there are also considerable un-costed benefits (such as the benefit of choice for individuals) however, little research has been done to attempt to ascribe a monetary value to these. Some of these costed benefits may accrue to the individual rather than the public exchequer but at this stage it is not possible to separate these out, though they represent a small proportion of the savings.

Social care

The total modelled financial benefits of Supporting People within this thematic area are £2,538,498. The value of benefits in relation to social care account for 1.4 per cent of the total value of benefits. This covers the benefits in relation to reduced need for social care services including personal domiciliary care and services for looked after children. However, as set out above, the impact of reduced demand for more intensive types of support (including residential care) has been included under independent living.

Homelessness

The total modelled financial benefits of Supporting People within this thematic area are £37,167,832. These benefits account for just under 21 percent of the total value of benefits. This covers benefits in relation to securing and maintaining stable housing. Benefits modelled include the reduced cost of tenancy failures to local authorities, reduction in the use of temporary accommodation and the benefits from avoiding homelessness and rough sleeping.

Crime

The total modelled financial benefits of Supporting People within this thematic area are £32,333,226. The value of benefits in relation to crime account for just over 18 per cent of the total value of benefits. This covers both benefits from reduced offending by some client groups, and reduced risk of Supporting People clients being victims of crime. The models cost the reduction in need for criminal justice system services and the other costs associated with crime. In the models for older people and for women escaping domestic violence, the social costs of crime (i.e. non exchequer costs) have also been calculated, but they represent a small proportion of the total savings.

General benefits of Supporting People

There are a number of un-costed benefits that are common across the eight client groups included in this study, and which have not been quantified. These include:

- improved quality of life for the individual including greater independence;
- improved health;
- lessened dependence on relatives and carers;
- independent living, including a greater choice for individuals around accommodation, lifestyle and the provision of skills to enable this choice;
- increased ability to participate in the community. This covers a number of areas including reduced isolation or social exclusion, and greater stability for people with chaotic lives;
- decreased fear of crime; and,
- easier access to appropriate services.

It should be noted that the potential savings which have been valued in the model relate to a one year period. For some clients, Supporting People services can have a potential lifetime effect. For example, low level intervention services for older people may postpone health deterioration and compress the period of morbidity which arises as part of the ageing process. Similarly for offenders and substance users, early intervention may have a lasting impact on re-offending and problematic substance misuse. Supporting People may also have important impacts on the children of service users, providing an improved environment for nurturing children and improving the health of parents. These potential longer term benefits have not been explicitly incorporated within the work undertaken to date.