



Funding for Socially Excluded Services in Nottingham: Time To Take Another Look?

Executive Summary

The purpose of this report is not to provide answers but to provoke questions. Specifically, it seeks to kick-start a debate amongst commissioners and providers of services for the social excluded in Nottingham. In a time of stringent control over public service budgets, local services for this group of people have been cut recently and they face further cuts in the future.

This report asks whether this constitutes a 'smart' prioritisation of inevitably limited spending. It raises the possibility that a programme with significant 'spend to save' capacity is being restricted to the detriment of other local statutory budgets and the local community interest overall. Its primary purpose is to argue the case for an empirical investigation of this matter, undertaken or commissioned jointly by the City Council and the provider sector in the city.

The City of Nottingham itself made an assessment of the cost effectiveness of its investments via the former Supporting People programme prior to instigating the last round of cuts. That assessment suggested that, with the marginal exception of young people's services, preventative support services for socially excluded groups were overwhelmingly cost effective and actively saved local statutory bodies money.

We're now arguing that this work needs to be checked and verified against local experience since the first round of retrenchment of spending on services for the socially excluded.

Our fear is that need has not disappeared, nor been totally dealt with by the systematic efficiency measures, such as the Gateway, that Nottingham City Council has put in place. We fear that there are initial signs of the underlying need seeping into other areas. In principle this is costable, using very similar techniques to those deployed in the City Council's previous cost benefit analysis - but this time on the basis of the changes in service usage and other indicators since the cuts were initiated. Framework is willing to contribute time, management resources and money to investigating this question - but we are convinced that only the City Council can lead the process.

Framework shares the Council's determination to ensure that every penny of public investment for the socially excluded is used in the most cost effective possible manner. But we don't think this is simply a dry exercise in attempting to break out of 'silo accounting' in narrowly defined or functionally separate organisational or departmental budgets. This question has a very real human dimension as well.

To illustrate this, the current report offers four real life case studies and tries to make a costed estimate of what removing the services currently provided for these individuals might imply in terms of impact on the community and the public purse. What is striking from these examples is quite how close a linkage there is in terms of benefits to the vulnerable individuals themselves from current services, and the impact they would have on the rest of the community if these services weren't there.

This is a story about vulnerable people and stable communities as well as budgets. We very much hope that the Council will lead the efforts we think necessary to investigate that all three are being best served by the current and projected range of service retrenchments.

Andrew Redfern

Chief Executive Framework Housing Association

Introduction: the National Context

We are living through a time of retrenchment in public spending. As a nation we have to find ways of doing things better, for less. It is a time when many long cherished programmes are being looked at with a sharply critical eye by policy makers. The logic of prioritising the most important public services over the 'nice-to-have' has increasingly come to dominate discussions in Whitehall and in the Council Chamber.

Neither homelessness services nor the City of Nottingham are exempt from this general concern, and nor should they be. But in such times of austerity it is important to focus on 'smart' cost reductions which reduce the burden on the taxpayer overall – not ones which merely push costs elsewhere.

In this climate it is important to keep a firm grip on the value of preventative services. Almost everyone gives lip service to the idea that such services can, in the long term, reduce overall costs to the public purse. But such savings do not necessarily directly accrue to the body which funds the particular preventative programme, or at least not to them alone. So such programmes can seem like 'add-ons' to what is perceived of as 'mainstream provision' - and sometimes as expensive add-ons as well.

The word 'preventative' should not be misunderstood as meaning 'low level', at least not in the world of homelessness or social exclusion. At root, what is being prevented is entry into *very* expensive facilities such as prison or psychiatric hospital, and/or potentially huge costs being imposed on a very wide range of public services, from criminal justice to health and from housing to social care. This can often mean providing 'preventative' services to some very vulnerable people, whose very vulnerability contains the potential to inflict huge costs, financial and otherwise, on themselves and the communities they live in.

It is also very important not to mistake *discretionary* public spending – public expenditure not linked to specific legal duties – with spending that is 'cost free to do without'. Quite often such discretionary expenditure can constitute 'spend to save' initiatives that prevents much greater expenditure by local government and their strategic partners. Yet this can be difficult to quantify.

The old world of public service is changing, perhaps never to return. There is no longer any space for waste. Even more, though, there is no longer any space for perverse cost accounting. All budgets across a community need to be harmonised against an agreed set of outcomes, and sectional or departmental accounting principles need to be similarly harmonised to reflect the contribution each agency makes to these overarching outcomes and aspirations.

Opposition to 'silo working' is easy enough to express – and has regularly been expressed by national and local politicians of all persuasions for many years. Doing something about it is more difficult. The dull pressure of 'silo accounting' can make one department's 'efficiency saving' into an additional cost for another bit of the public sector but neither party may be aware of this perverse financial relationship. It is very striking that one of the major themes of the developing Community Budget work focuses precisely on how best to use data, including financial data, collaboratively, and to focus resources on *outcome* based budgeting. This must surely be the way forward for the entire public sector.

Simply putting monies together in 'one big pot' is not necessarily the complete answer. This can ease tensions between competitive departments – but it can also focus a declining level of overall resources on those services which are legally required, rather than those which are 'smartest' to

provide in broader terms. It can, in the worst case scenario, actually increase demand for high end, expensive or legally prescribed services by not choking off gathering pressures at an earlier stage.

Housing related support, as it was once called, is a key tool in facing these challenges. It's the local investment which reduces the call on other budgets and improves the quality of vulnerable people's lives. It is a preventative style of working which aims to stop every human drama becoming a crisis. It's the discretionary programme which should be thought of as an essential.

About This Report

This report assesses the impact of the recent round of cuts on the current level of provision for the homelessness and socially excluded in Nottingham, using Framework Housing Association as a case study. It reproduces some provisional estimate of levels of need, based on previously published work commissioned by the City Council itself. It highlights some indicators of how this need may be finding ways of seeping into other areas given the recent reductions in services. Finally, it provides some real life case studies and tries to make a costed estimate of what removing the services currently provided for these individuals might imply in terms of impact on the community and wider cost to the public purse.

Framework acknowledges this report is not definitive. It mainly focuses on the experience of only one provider. It does not benefit from the statistical insights which might be available to statutory bodies with a wider access to information.

We still believe this report is of great potential value. We put it forward as a contribution to a very necessary debate and discussion with our statutory and voluntary sector partners and with the wider community within the city of Nottingham. We all need to move away from a position of either reacting to immediate pressures to cut budgets by looking *first* to preventative and discretionary programmes, or to simply defend what we have. If this report kick starts *a conversation* between those agencies working with the Social Excluded in Nottingham on these themes then it will have achieved its purpose.

That conversation needs to be about all the agencies in the City taking a collective look at the actual impact of the cuts to date. It needs to be done in a deliberative way, not one involving confrontation between commissioners and providers. And it needs to justify its conclusions in terms of the *overall* benefit to the social fabric and public expenditure balances of the City, not just the specific budgets which are currently under threat.

Only the City Council itself can lead on such a project. We know that it undertook a summary cost benefit analysis before identifying the current round of service cuts to homelessness and socially excluded services. We want it to work with its statutory and voluntary sector partners to take a fresh look at this matter – one which attempts to compare the real costs of the cuts imposed so far on our sector against the cost pressures which have 'popped up' elsewhere in the system as a result.

The Local Background

A very significant proportion of Framework Housing Association's (FHA) work is funded through what have been traditionally known as Supporting People (SP) contracts. SP itself is now integrated into wider budgets, but it is still possible to identify expenditure which relates to this historic funding stream.

The City of Nottingham has radically reduced its SP funding. The table below summarises the current projected SP spend in the City, ignoring any future inflationary settlements.

	£m	£m	£m	£m
	2010-11	2011-12	2012-13	2013-14
Main SP Programme	22.3	12.4	12.4	12.4
Transfer from mainstream Council resources		0.6	0.6	0.6
2 yr 'Damping' transfer from mainstream Council resources		2.5	1.5	
Health transfer		2.1	1.9	
Total	22.3	17.6	16.4	13
Yr on Yr change in SP budget		-21%	-7%	-21%

In broad terms, the cuts have fallen disproportionately on preventative services for the socially excluded - there has been a c40% cut in floating support services for instance. What has been protected, at least for now, are crisis orientated services plus services aimed at groups such as people with mental health problems or learning disabilities to whom the Council might have statutory responsibilities. The temporary funding provided for 'damping down' the effects of the cuts is tied to specific services, so there is a clear 'hit list' of schemes which might reasonably expect to lose their funding over the next two years or so.

Almost all referrals into accommodation based SP services in Nottingham now go through The Gateway - a filtering central access point run by Housing Aid which makes an initial assessment and referral into specific services. The Gateway does produce statistical reports on usage but these statistics are not generally available to bodies other than the City Council itself.

However, there is a widespread impression amongst voluntary sector provider agencies that the threshold for access into support services has been quietly raised, such that proportionally fewer homeless people who do either not qualify as statutorily homeless or do not have very complex needs are now accessing services. It seems a matter of some importance to establish whether this is true- and if so, what is happening to the cohorts of people who might formerly have accessed services. Where have they gone and are other budgets rising because of their lack of presence in preventive support schemes?

Over the last year or so there has been local concern about the apparent rise in rough sleeping in the City. Framework obviously shares this concern. But it is important to understand that rough sleeping is an experience, and usually a relatively brief one, that many people who are part of a wider cohort of socially excluded people might go through. This is well illustrated by a number of the individual case studies towards the back of this report. Snapshot counts of rough sleepers certainly tell us something and help focus the provision of immediate, emergency services. But how do we best divert the stream of people at risk of rough sleeping, and what role are preventative support services playing, or failing to play, in this task?

Estimating Need & Strategic Responses to Need

In 2009-10, Nottingham City Council commissioned work to estimate the requirement for ‘housing related support services’ between 2010 and 2021? ‘Housing related support’ was the formal name given by government to those activities permissible to fund under the former Supporting People programme. The model used to produce these needs estimates had previously been used across all the local authorities in the North West Region, across the whole GLA area, in Birmingham and also in parts of the Yorkshire and Humberside and South East Regions.

It was not an easy task due to three compelling challenges. First, because the definitional boundaries between ‘housing related support’ and ‘care’ - or ‘health’ or ‘criminal justice’ or ‘housing’ - are not reflected in any of the underlying data sources. So quite what qualifies as ‘housing related support’ need as opposed to any other kind of need is always arguable at the margins. Secondly because the former SP programme recognised no less than 21 different client groups - but many people fall into more than one client group: it is quite possible to be both a person with alcohol problems *and* a single homeless person for instance, or simultaneously be a young person leaving care *and* an ex-offender. Thirdly, the estimation called not just for a head count of individuals in need but for some estimation of the type of service response they might require - in broad terms, whether they would most likely need an accommodation based service or a non-accommodation based one, such as floating support. The importance of this distinction is obvious in terms of planning for capital expenditure.

The report produced for and adopted by the City acknowledged and confronted these and a myriad of other technical issues. It was certainly not without its critics – which included Framework HA – but it provided coherent answers to these problems. Most relevantly, it made estimates at the level of the ‘super client group’, an amalgam of numerous client group labels which took account of likely overlaps and double counting at client group level. So the majority of people that Framework exists to serve were labelled the ‘socially excluded.’¹

For all these caveats the work commissioned by the City Council in 2010 undoubtedly represents a high point in attempts to actually quantify need amongst the socially excluded in Nottingham. By making *explicit* the assumptions on which need was estimated, it opened up a whole new level of debate and challenge for policy makers and providers alike.

The needs estimates for the socially excluded produced in 2009-10

Year	Total People in Need during year	Accommodation Based Units required (net surplus /deficit)	Non Accommodation based units required (net surplus deficit)
2010	4784	637 (surplus:204)	2249 (deficit: 581)
2015	4820	641 (surplus:200)	2267 (deficit :599)
2021	4850	649 (surplus:192)	2281 (deficit: 613)

It can be seen that there was thought to be, at that time, a massive undersupply of non-accommodation based services such as floating support, and a somewhat smaller over supply of accommodation based services, such as hostels.

-
- ¹ A terms which encompassed the following client groups recognised by SP: Single homeless with support needs; Rough sleepers; People with mental health issues; People with HIV/AIDS; Drug misuse; Alcohol misuse; Refugees and asylum seekers; Travellers; Teenage parents; Young people leaving care; Young people at risk; Offenders and those at risk; Mentally disordered offenders; Homeless families with support needs

There are two points to note here.

First, it is precisely on floating support services that Nottingham's SP cuts have so far been disproportionately focussed. But perhaps more fundamentally, the division between a need for accommodation based and non-accommodation services is a strategic *choice*: how need should be met is a decision driven by statutory understandings of the nature of demand. Cutting one kind of service doesn't mean the underlying need goes away - it just gets diverted into whatever services happen to be available. So cutting floating support may well appreciably increase demand for accommodation based services – which themselves are now facing reductions.

This doesn't rule out the potential for increased efficiency at service or systematic level of course. Such efficiencies might, in principle, reduce the overall demand for service units, if not the number of people in need of service. It is important to understand that many socially excluded people do not necessarily require services on a permanent basis (even though many may make repeated use of services after relapses and the like). This gives rise to a simple-to-express trade off: *the more people that can pass through any given type of service in any one year the fewer units of any such service are permanently required.*

'Simple-to-express' maybe - but very difficult to estimate accurately as the time it takes for any given individual to 'flow through the system' is crucially dependent on the effectiveness of inter-agency co-ordination, the severity of their personal problems and the availability of move on or other ways out of the care and support system.

Nottingham has made a number of attempts at achieving such service level and systematic efficiencies. The Gateway central access point is the most obvious. Poor performing providers have been weeded out by review and replaced by better ones. And at the most basic level, housing related support services are now commissioned as part of a much broader spectrum of care and support options in the expectation that this approach will increase inter-agency co-ordination and individual satisfaction.

At a more practical level, Nottingham has also decreased its estimate of the required average duration of service in some projects, implying that such schemes can deal with a greater number of people in need each year. This is a measure open to empirical verification.

In accommodation schemes it is certainly possible to move people through more quickly - but they must have somewhere to go. Nottingham City Homes plans to demolish 900 units of single person general needs housing and replace them with 400 units of family accommodation. This will mean those decanted from the existing stock go to the top of the list for rehousing into single person stock, potentially decreasing the amount of move on accommodation available to vulnerable people in supported housing projects. It must surely be possible to investigate whether this is happening, or is likely to happen.

In floating support and other non-accommodation based projects it is certainly much easier to cut off services after a shorter timeframe. The visits from the support worker might simply cease. But the consequences of doing this are hard to determine. Do the costs show up, unlabelled, in other budgets? Or were vulnerable individuals previously being 'molly-coddled' by an over generous provision of service?

These are the central questions Framework wishes to work on with its statutory and voluntary sector partners. It would be irresponsible to inflict further cuts on existing provision without answering them.

What Do We Know About the Impact Of the Initial Range of Cuts & Other Systematic Changes?

(a) *The outline needs characteristics of service users at point of entry to services*

Supporting People has a common set of data reporting requirements, including a Common Referral Form completed at the beginning of each service episode by or for each client. Local authorities can analyse this data in many ways, but access to detailed analysis is restricted for those who do not work for SP authorities. Nonetheless, some broad preliminary observations can be made about trends in CRF data before and after the cuts to SP services took effect in Nottingham. The relevant comparison here is only available between the last full year before the cuts – 2010-11 – and 3/4qtr year data from April-December 2011.

Looking at those CRF forms with a 'primary client group label' that falls into the socially excluded category (see footnote 1) it would appear that:

- There has been a noticeable increase in the proportion of socially excluded service users who have *secondary* client group markers relating to mental, alcohol or drug problems. The proportion of socially excluded CRF with these secondary markers increased from 27.6% in 2010-11 to 30.3% in the first nine months of 2011-12. In broad terms this means that for every 7 socially excluded service users with these indicators of complex and overlapping need before the cuts, there were more than 8 such users afterwards.
- The proportion of socially excluded service users who appear to have some formal contact with other services at point of entry into SP services is also growing. The CRF form allows for many such indicators: it records whether people are under ASBOs, are Probation or Youth Offending Clients, are subject to the Care Programme Approach, are under a Care Management regime, are subject to a Drug Intervention Programme or have been identified as receiving a secondary Mental Health service. The very complexity of this potential range of interventions can make analysis fragmented – and some people will be subject to more than one of these regimes of course. But there is a very noticeable increase in the proportion of incidences of such contact with formal statutory services amongst the CRF records before and after the cuts. Roughly speaking, there was one such marker for every five socially excluded CRF records (19.2%) in April-Dec 2011, after the cuts, but less than one marker for every six records (15.7%) in 2010-11, before the cuts.

These are very broad indicators of course. But they hint at the need to do further investigative work. They seem to be consistent with the proposition that the needs levels in SP services for the socially excluded in Nottingham are rising.

However, there is no clear indicator that the proportion of referrals into socially excluded services that qualify as statutory homeless is rising, as the table overleaf demonstrates.

% of Socially Excluded CRF records classified as Homeless Before and After Cuts

	Apr-Dec 2011	2010-11
Not homeless	43%	41%
Statutorily homeless - owed a main homelessness duty	23%	19%
Statutorily homeless - NOT owed a main homelessness duty	5%	4%
Other homeless - not statutorily homeless, but considered homeless by service provider	23%	21%
Don't Know/Missing	5%	14%
Total	100%	100%

(b) Signs of a Growing Complexity of Need in Floating Support Referrals

Framework does not have access to the full Gateway client database and has no internal knowledge of its assessment criteria, so cannot say whether it has ‘raised the bar’ for entry into residential services.

But FHA itself is the lead agency in a consortium which runs most floating support services for the socially excluded client groups across the City, so it is possible to investigate whether referrals into these services have grown more challenging during the period when accommodation based services have been reduced.

The consortium uses standardised initial assessment forms. These are lengthy and detailed and seek to identify a wide range of potential support needs, from a history of mental health problems to involvement with the criminal justice system and much else besides. The important point about them for current purposes is that they are not simply completed by Framework staff but are used throughout the city by other agencies. Unfortunately, they’re only kept in paper form, thus limiting the ability to fully analyse them.

However, we did manually examine two months’ worth of such referrals - one from February 2010 and one from February 2011. The 2010 forms dated from before a range of residential services in the city began to run down with a view to closure. Conversely, the 2011 forms came from a time when some services had closed or were planning to close, so were restricting their new intake.

In each case there were well over one hundred records. By simply counting the number of identified support needs or ‘risk indicators’ on each form it was possible to arrive at an indicator of the spread of need. Of course these support needs were very different and it wasn’t possible to make any assessment of the severity of need in any individual case, much less collectively. So this is only a very rough and ready proxy indicator. But it is not unreasonable to assume that a greater number of support needs/risks revealed at assessment stage suggests a greater complexity of underlying vulnerability.

The mean average of such support needs/risk indicators amongst both data sets was distorted by a small number of cases which had very many support needs indeed – sometimes up to a dozen. These were atypical ‘very high end’ cases of need. A more telling way of looking at the data is to ask how many in each data set had either a single indicated support need/risk at assessment stage, or two or more such needs/risks, and this is shown in the table below.

Number of Identified Support Needs/Risks Indicated at Assessment stage in Referrals into Floating Support

	0-1	2 or more
2010	41%	59%
2011	27%	73%

There appears to have been a noticeable increase in the complexity of support needs or risk indicated amongst referrals into floating support services for the socially excluded in Nottingham at precisely the time when some residential services were being cut back. Correlation is not causation, of course. But it is a striking piece of circumstantial evidence.

Costing Counterfactuals

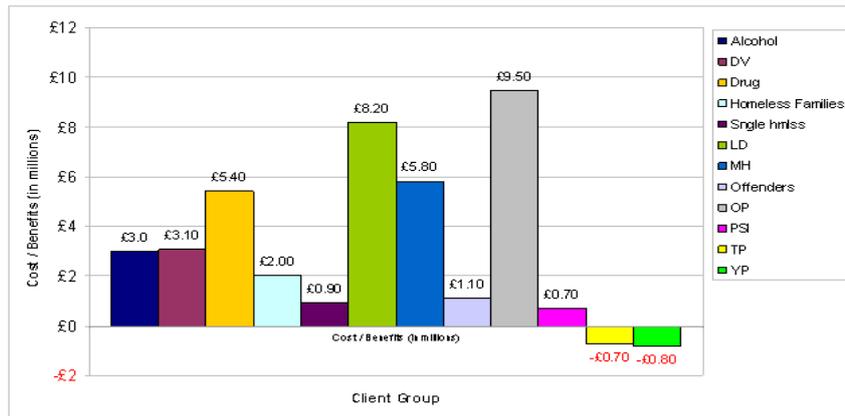
The consultancy firm Cap Gemini produced a major report of the CLG in 2009 that concluded that the best overall estimate of net financial benefits from Supporting People's £3.41bn per annum expenditure for the client groups considered was £1.8bn a year. The estimated savings for single homelessness services *alone* were in the region of £128m p.a. These are England wide figures of course, but do highlight the capacity for the SP programme's preventative focus limiting *overall* statutory expenditure. In short, **two pounds are saved for every pound invested in Supporting People services.**

Furthermore, the authors of the Cap Gemini report stress that the benefits of providing housing related support are certainly not confined to financial gains. Not all social benefits can be costed with any precision. The provision of preventative support services can also result in:

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

The firm produced a modelling tool which allows local authorities to enter their own figures on alternative costs to establish the cost effectiveness of SP services in a local context. We understand that Nottingham have used this tool on an in-house basis and got broadly similar results. Although we have not seen the detailed results, Nottingham City Council was kind enough to share this summary chart with us.

Based on spend of 25.9m assumed benefit of £12.3m



Time has now moved on. Some of those apparent savings from investing preventative services have been lost through scheme closures. Where have the additional costs estimated as likely to be incurred popped up? Which other public service budgets are now under pressures because of reductions in SP funding?

The Cap Gemini work was based in costing *counterfactual* events, as any attempt to apply cost benefit analysis to *prevention* inevitably must be. It is generally easy enough to establish the cost of the existing service – but how does one approach the business of establishing exactly what might have happened, but didn't, if the current service had not been in place? Until one has established such a counterfactual it cannot be costed, and the costs of the current service cannot be judged in comparative terms. The great virtue of the Cap Gemini work was that it precisely codified a wide series of such counterfactual events and brought them together at a client group level.

But what does it mean for individuals? We have attempted to address this question by interviewing four very different Framework clients and applying the principles and costing contained in the Cap Gemini work. The aim has been to think through what might have happened to them if Framework services had not been there. This, we hope, may suggest some clues as to where to find the additional expenditure that Nottingham City Council's use of the Cap Gemini model predicted would occur due to cutting preventative support services. Most of all though, we hope it also moves the discussion in this paper from a rarefied discussion of budgets and priorities towards the human reality of need, and its impact on local communities in Nottingham.

'Harry Blake' is 16 and had been living in a Framework young persons' scheme for 4 months at the time of interview. He came there directly from a Secure Training Unit in a Young Offenders Institution, having been convicted for street robbery and Actual Bodily Harm. He had originally been sentenced to wear a tag but then breached the conditions and thus ended up incarcerated.

He was born and raised in Nottingham. His mother has a history of drink problems and his home life was disturbed from an early age. He was first kicked out of the family home at 13 years of age. He spent 2 nights sleeping rough then, before being taken in by an Aunt. He subsequently alternated between living with his mother and aunt for some time.

He was permanently excluded from school. He has appeared in juvenile court 'about 10 times' for a variety of charges including street robbery, possession of cannabis and the ABH mentioned above. He claims he only ever burgled houses for 'the weed' not people's personal possessions, though he did admit to having 'robbed cars' in his time. At the age of 15 he was remanded on bail to a Care Home.

Since arriving at the Framework scheme he has not be in trouble with the law and is now attending a college training course 3 days a week. Harry is unequivocal about the benefits staying with Framework has offered him," *...if I were back home I'd fall in with my old crowd and I'd be back in jail for breach of my conditions...they've helped me get into college and given me some stability."*

Assessment: this history suggests that Harry Blake is eventually heading for a long term jail sentence unless he can be helped to stabilise his life and break his former habits. Along the way to that destination, it is very likely that he will first appear in Court on a number of more minor charges and also commit crimes where he was not apprehended. It is entirely plausible that he will experience periods of homelessness, and certainly quite likely that he will revert to using drugs in a very significant way.

None of this is inevitable. But the odds are against Harry given his history. Is it worth society trying to aid Harry by providing support?

A comparison of the actual costs of providing services to Harry and the likely costs he might inflict on society if he didn't get these services suggest an unqualified 'yes' – **in fact it almost 20% cheaper to do so.**

Harry's 2012 Costs to Society

Personal benefit	£	2,779
Housing Costs (Charges at Framework Scheme)	£	12,068
Support costs (Framework SP contract unit costs)	£	15,526
Total	£	30,373

Harry's Cost to Society if he Didn't Receive Preventative Support Services

Housing Costs (2012 figure, derived from Cap Gemini modelling tool)	£	3,734
Crime Costs (2012 figure, derived from Cap Gemini modelling tool)	£	7,930
Personal benefit	£	2,779
Additional costs of offending behaviour, including costs to victims in terms of repair of property, hospital visits etc. (national figure for 2012 derived from Cap Gemini report page 62)	£	11,121
Cost of drug possession or supply arrest (2012 figure, derived from Cap Gemini modelling tool)	£	4,944
Cost of homelessness consequent on losing private sector accommodation (2012 figure, derived from Cap Gemini modelling tool)	£	788
Net cost of 25 weeks stay in B&B, net of standard social housing rent (2012 figure, derived from Cap Gemini modelling tool)	£	5,970
Variety of other health and social care costs (national figure for 2012 derived from Cap Gemini report p 62)	£	212
Likely total annual cost of services to Harry without Preventative Support	£	37,479

Total Cost with Preventative Support Services	£	30,373
Total Cost without Preventative Support	£	37,479
Overall Saving	£	7,105
Saving as percentage		19%

'Ken Malcolm' is 18 and grew up in Nottingham. His parents split up when he was quite small, and he went to live with his father, initially in a Homeless Family hostel. When he was 15 disagreements with his father led him to first sleep rough for a week or so and then, eventually, to move in with his mother, who had re-married and now lives in Oxford.

This didn't work out too well. Ken found his mother was the victim of domestic violence from her new husband. Conflict ensued with both his stepfather - whom Ken says sexually assaulted him - and his mother, who eventually kicked him out. This led him to turn to another member of his family, a sister who was living in Glasgow. He slept on her sofa for 4 months before they got a privately rented house together.

Then Ken moved in with his partner – but after six months the relationship came to an end. So he left to stay with his other sister in Reading. This lasted for a couple of months before he was asked to leave and came back to Nottingham. At the beginning of December 2011 he slept rough in the Arboretum for '4 or 5 days' but then found Framework 'on the internet' and moved into their London Road hostel very shortly afterwards.

Ken has a history of mental instability. This has manifested itself in the form of obsessive compulsive behaviour, and also in self harm – slashing his arms and wrist, eating disorders and so on. Whilst in Scotland he had to visit A&E on at least three occasions due to such self harm, and was briefly resident in a psychiatric hospital on a voluntary basis. This self harm became significantly more frequent in the 8 months immediately prior to his arrival at Framework's London Rd hostel. But his insecure housing situation and moves around the country mean he was not receiving any treatment.

Since arriving in the Framework scheme Ken has been put in touch with a specialist mental health support worker and also has been registered with a GP so he now is on a regular course of anti-depressants. He sees both weekly.

Assessment: Ken is a young man who might appear in the statistics for any number of 'client groups'. His immediate past certainly qualifies him as someone who might be classified as 'young person at risk' or 'single homeless', but he also has vulnerabilities that would suggest he be classified as a 'person with mental health problems' as well. He has demonstrated a pattern of repeated homelessness and relationship breakdown, and the odds must surely be that this would continue without the active interventions now being offered him by Framework. It is likely that he would pass through a series of temporary accommodation options, perhaps interspaced with emergency hospital admissions and rough sleeping. He could easily drift into criminal activity or serious drug use.

It can be seen that, *on these calculations*, it would be cheaper not to provide Ken with services. This is consistent with the general findings of the Cap Gemini model that one doesn't make any significant cost savings by providing support services to young people at risk. What this doesn't take into account, however, is those benefits that the Cap Gemini report described as uncoded but might be better thought of as '*uncostable*'.

London Road, the hostel in which Ken is currently living, is funded by Nottingham for a variety of reasons - certainly to provide support and relieve suffering amongst vulnerable people but *also* to prevent rough sleeping, anti-social behaviour on the street and decrease the fear of crime.

So one must ask - which is the better broadly similar investment: paying for support for Ken now, or waiting for all the potentially negative consequences of Ken's life to develop?

Ken's 2012 Costs to Society

Cost of support @ Framework's London Rd hostel	£ 13,447
Cost of Housing @Framework's London Rd Hostel	£ 14,607
Benefits and Related Services Housing Costs (2012 costs, taken from table 3.2.7(i) in Cap Gemini report)	£ 6,588
Total	£ 34,642

Ken's Costs to Society if He Didn't Receive His Current Services

Cost of support @ Framework's London Rd hostel	£ 13,447
Cost of Housing @Frameworks London Rd Hostel	£ 14,607
Benefits and Related Services Housing Costs (2012 costs, taken from table 3.2.7(i) in Cap Gemini report)	£ 6,588
Total	£ 34,642
Repeat Homelessness (2012 costs, taken from table 3.2.7(i) in Cap Gemini report)	£ 929
Breakdown of Tenancy Costs (2012 costs, taken from Cap Gemini modelling tool) (assume 2 breakdowns in year)	£ 6,113
Temp Accommodation in B&B for 24 wks (2012 figure taken from Cap Gemini Modelling tool)	£ 5,731
25% chance of incurring social costs of rough sleeping (taken from Cap Gemini tool, 2012 figures)	£ 972
Assumed 3 overnight hospital emergency admissions (2012 Cap derived from Gemini model)	£ 754
Assumed 4 attendances @ A&E during year, 3 using ambulance (2012 figure, derived from Cap Gemini tool)	£ 1,025
Health costs per 'problem user' classified as young person at risk 2012 figures, derived from Cap Gemini model)	£ 1,420
25% chance of: cost of serious mental health episode (2012 costs derived from Cap Gemini modelling tool)	£ 2,943
30% chance of 2 court appearances (2012 figures, derived from Cap Gemini)	£ 601
20% chance of 2 month custodial sentence (2012 figures, derived from Cap Gemini model)	£ 1,710
20% chance of being arrested for drug possession(2012 figures, derived from Cap Gemini modelling tool)	£ 989
Housing Costs (other than B&B) for 28 weeks (2012 figure, derived from Cap Gemini modelling tool)	£ 2,346
Benefits and Related Services Housing Costs (2012 costs, derived from table 3.2.7(i) in Cap Gemini report)	£ 6,588
Likely total annual cost of services to Ken without Preventative Support	£ 32,120
Total Cost with Preventative Support Services	£ 34,642

Total Cost without Preventative Support	£	32,120
Overall Saving	-£	2,522
Saving as percentage		-8%

‘Ellie Jacobs’ is 29. She has been living in her own Council flat for a couple of years, but had previously passed through a number of Framework schemes and a Women’s Refuge between the ages of 22 and 27. She is supported by a CPN and a Framework floating support worker who visits once a week.

She was first diagnosed with mental health problems at ‘around 16 or 17’. This was a time in her life when she was drinking heavily and also using a lot of cannabis. She is epileptic. Her mother kicked her out of the family home when she was 22. She says that in her late teens and early-to-mid-twenties she was a ‘big drinker’ and often ended up in fights. She claims to have ended up in ‘the Bridewell’ – a police cell – perhaps twice a week on average during this time, and also did three months in prison for Actual Bodily Harm. Nor was she solely the perpetrator of violence: at least twice she ended up in A&E after suffering domestic violence and has also been subjected to a couple of sexual assaults. She further claims to have been beaten up by the Police on occasion.

She appears to have lived something of an itinerant life during this period. She had stays in Framework’s London Road and Rockleigh House services, as well as a stay in a Refuge. But these periods of relative stability were intermingled with periods of sofa surfing and, on at least one occasion, sleeping out overnight. She was also regularly admitted to psychiatric hospital. Beginning in 2006 she says she has had 17 stays in such institutions ranging from overnight to 4 weeks in duration.

During one of these stays she underwent a formal detoxification. She is now drinking again but says she is down from her former daily consumption of a dozen plus super strength cans of lager to a litre or two of cider per day. She is still occasionally admitted to hospital but these stays appear to be becoming shorter in duration, and more often related to her epilepsy rather than to her other mental health or substance misuse issues.

Assessment: Ellie is still relatively young, although her life on the street has left her appearing somewhat older than she actually is. Clearly, there is the potential for her drinking to get further out of control again or for her mental health problems to re-emerge in a more virulent form. Either of these problems could result in *very* long stays in expensive institutional facilities, given her relative youth.

Such events would be dramatic – and very expensive – episodes in anyone’s life. So it would be unfairly loading the dice to assume that they would *automatically* happen if Ellie didn’t receive her current services. We have cautiously assumed, therefore, that there would be only a 30% chance of Ellie requiring expensive in-patient treatment for alcohol problems or suffering a ‘serious mental health episode’ in the absence of receipt of current services. The figures shown in the second table below, therefore, represent only 30% of the cost of these events.

The likely saving still approaches a quarter of overall costs estimated to be incurred.

Ellie’s 2012 Costs to Society

Current unit cost of floating support worker for Ellie	£	3,610
Housing Costs (2012 figure, derived from Cap Gemini modelling tool)	£	4,357
Social Services Costs (2012 figures, derived from Cap Gemini report table 6.3.4(i))	£	7,132

Benefits and Related Services (2012 figure, derived from Cap Gemini modelling tool)	£	3,734
Total	£	18,833

Ellie's Cost to Society if She Didn't Receive Preventative Support Services

Housing Costs (2010 figure, derived from Cap Gemini modelling tool)	£	4,357
Benefits and Related Services (2012 figure, derived from Cap Gemini modelling tool)	£	3,734
Cost of homelessness consequent on private sector accommodation (2010 figure, derived from Cap Gemini modelling tool)	£	788
Cost of tenancy failure to local authority (2012 figure, derived from Cap Gemini modelling tool)	£	3,056
Net cost of three months stay in B&B, net of standard social housing rent (2010 figure, derived from Cap Gemini modelling tool)	£	993
Cost of assumed two court appearances re alcohol related offences (2012 figure, derived from Cap Gemini modelling tool)	£	2,005
Cost of 20 hours alcohol counselling (2010 figure, derived from Cap Gemini modelling tool)	£	711
30% chance of: Cost of 10 days in patient detox (2012 figure derived from Cap Gemini modelling tool)	£	754
30% Chance of: cost of 16 wk package of tier four residential rehab (derived from Cap Gemini report table 6.3.1(iii) , page 158, uprated to 2012 costs)	£	4,086
30% chance of: cost of serious mental health episode (2012 costs derived from Cap Gemini modelling tool)	£	3,531
Variety of other health and social care costs (national figure for 2012 derived from Cap Gemini report p 62)	£	738
Likely <i>minimum</i> annual cost of services without Preventative Support	£	24,753

Total Cost with Preventative Support Services	£	18,833
Total Cost without Preventative Support	£	24,753
Overall Saving	£	5,920
Saving as percentage		24%

'Olivia Smith' is 46 and has lived in her own flat for the last 7 years but continues to use the aftercare service associated with the Framework scheme where she formerly lived.

She has had mental health problems, on and off, since she was 17 and has also had periodic episodes of overusing alcohol and other substances, especially amphetamines when younger. As a very young teenager a disrupted family life led her to sleep rough for short periods.

She somewhat stabilised her life in her twenties however. Admissions to psychiatric hospital had worked as an 'informal detox' and she also was put on a course of antabuse (a drug which provokes severe nausea if one consumes alcohol) whilst in such an institution. Occasionally she had spells in hospital but she was able to establish her own home and a stable life with a child, who is now 21. But things went wrong for Olive again when her son was in primary school. A gathering paranoia led her to stop taking her child to school and barricading herself in her house. She says her son was frightened of her killing herself. Inevitably things came to a head and she was forcibly hospitalised under a Section of the Mental Health Act.

This was the beginning of a 2 year stay in hospital, part of which was spent on a forensic ward. She lost everything she owned because of this - her flat, all her furniture and belongings and custody of her son who went to live with his father. In midlife she was left with nothing.

Eventually, she was moved to Framework's Hughenden Lodge, a relatively high support facility for people with mental health problems. She spent 18 months there and then moved into a more independent flat. Hughenden Lodge is funded to provide aftercare services to former residents as well as onsite services to current residents. Olive still visits 2-3 times per week.

Olivia's gradual re-establishment of personal autonomy hasn't been straightforward. She had a relatively significant relapse a week after moving into her flat, but with the help of Framework staff she hung onto her tenancy and didn't lose everything as she had previously done. There have been quite a number of incidents when she has overdosed and whenever she feels particularly vulnerable she still occasionally comes to stay overnight at Hughenden Lodge. She is seen by a CPN on a fortnightly basis and has an annual or six monthly review meeting with a psychiatrist. But her main day-to-day and week-to-week support comes from Framework staff.

Assessment: Olivia's life is relatively stable now but that stability needs shoring up. She presents as a dignified and insightful woman, but one whose *potential* for re-entering a traumatic phase is quite obvious. Very few people have spent 2 years in a psychiatric hospital at a single stretch. It was not appropriate to probe into the diagnosis which led to this length of stay in our interview but, in a previous generation, it is not unreasonable to imagine she could have been left in hospital or another very high care institution for the rest of her life.

Olivia's 2012 Costs to Society

Current unit cost of support work for Olivia (based on 3 contacts pw and Hughenden income from SP & Health)	£	8,017
Costs of 26 x annual visits from CPN plus 2 x psychiatrists visits pa (2012 figure, derived from Cap Gemini modelling tool)	£	3,004
Housing Costs (2012 figure, derived from Cap Gemini modelling tool)	£	4,357
Social Services Costs (2012 figures, derived from Cap Gemini report table 6.3.4(i))	£	7,132
Benefits and Related Services (2012 figure, derived from Cap Gemini)	£	3,734

modelling tool)	
Total annual cost of services	£ 26,244

Olivia's Costs to Society if She Didn't Receive Her Current Services

70% chance of: cost of serious mental health episode (2012 costs derived from Cap Gemini modelling tool)	£ 8,239
70% chance of hospitalisation for 6 months out of year	£ 45,853
30% chance of incurring non-hospital housing costs for full yr;70% chance of incurring said costs for half year (2012 figure, derived from Cap Gemini modelling tool)	£ 2,178
30% chance of incurring Social Services Costs whilst not in hospital (2012 figures, derived from Cap Gemini report table 6.3.4(i))	£ 1,070
Benefits and Related Services (2012 figure, derived from Cap Gemini modelling tool)	£ 3,734
Likely total annual cost of services to Olivia without Preventative Support	£ 61,074

Total Cost with Preventative Support Services	£ 26,244
Total Cost without Preventative Support	£ 61,074
Overall Saving	£ 34,831
Saving as percentage	57%