

Analysis Report from the **West Sussex Coalition of Providers** around Impacts of Proposed West Sussex County Council Cuts to the Housing Related Support and Local Assistance Budgets

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FOREWORD

In August 2018 West Sussex County Council announced in their Forward Plan their proposal to cut all Housing Related Support contracts by 100% and the Local Assistance Network (LAN) by 75% from April 2019. In response to this the 13 contracted providers within West Sussex agreed to come together and provide a coordinated response to this announcement. The West Sussex Coalition of Providers was established and has been lobbying, advising and informing the Officers and Elected Members at County, District and Borough Council and other key stakeholders in order to promote a wider understanding of the extent and benefits of Housing Related Support. We have also been working in support of the LAN which provides a safety net to the most vulnerable people within our communities. 10 Providers representing £5.1million of the annual spend contributed data to this report.

As a result of this lobbying and awareness raising the County Council offered an extra 6-month extension on the Housing Related Support contracts but the proposal is that these contracts will cease in September 2019. Although we have also asked for extension on the LAN contracts this has not yet been forthcoming. The impact of these cuts will undoubtedly mean not only the closure of these vital services but will have hugely detrimental consequences on the lives of some of the most vulnerable people in society and in our communities.

This will inevitably mean that we shall see:

- more rough sleepers on our streets
- more reports of safeguarding issues to adult social care
- more referrals made through the community care assessment process
- more admissions into Accident and Emergency units of homeless vulnerable people
- further delays in discharging homeless and complex clients from hospitals
- more demand on our local police forces as they become the accommodation of last resort
- an increase in mental health in-patient admissions
- significant increases in tenancy breakdown.
- closure of services would lead to increased risk to victims of domestic abuse

The worst-case scenario is that we shall see a major deterioration in those who have significant mental health, drug and alcohol misuse problems leading to an even higher mortality rate amongst these vulnerable clients. At present based on national research the average age of death of those who sleep rough is 47 years old.

At the same time as these proposed cuts are being discussed locally, Central Government has charged District and Borough Councils under a duty of cooperation with County Councils to halve Rough Sleeping by 2022 and end it by 2027. Alongside this the extended duties under the Homeless Reduction Act 2018 are delivered by the members of the coalition who provide these essential services. There is a clearly a significant conflict between Central and Local Government policies and priorities.

The Coalition recognises the financial pressure which West Sussex County Council is under and we have been working closely with officers to demonstrate value for money our services provide in reducing costs in other areas of statutory expenditure. The following report sets out the avoided costs which Housing Related Support Services achieve. All the figures within this report are based on a sound and accepted methodology used by Central Government since 2009 and accepted by West Sussex County Council.

The headline outcomes are that for every **£1 West Sussex County Council spends on the 10 contracts, £7.5 is saved to the West Sussex funding purse**. The high-level figures demonstrate that the spend by West Sussex County Council of **£5.1 million** per year on our 10 contracts, saves **£38.3million** of costs to the County, District, Borough Council, Criminal Justice and Health budgets in a single year.

8,301 people were assisted and supported by the 10 service providers across the housing related support sector and Local Assistance Network in West Sussex during the 12 months between 1st April 2017 and 1st April 2018. We know already that these figures have increased due to changes in legislation, cuts in other areas and the roll out of Universal Credit, alongside increase in mental health and drug misuse.

In conjunction with this report a video has been commissioned by the Coalition to bring the figures alive. Over 50 service users past and present came forward to be interviewed along with key stakeholders and partner organisations. The video demonstrates the impact of the cuts on the lives of those who have used or are using these contracted services. The stories told by these services users not only explain the positive outcomes which our staff have enabled clients to achieve but the likely consequences of service closures. These are extreme, hard hitting and real.

What do the Coalition of West Sussex providers aim to achieve through our response?

Although Coalition members were relieved initially that contracts had been extended for an additional 6 months, realisation that we hadn't had the time to do a full impact assessment on our own services and organisations due to the extremely tight timescales provided. Most organisations are small to medium in size and therefore the impact has taken its toll on all providers involved already due during the consultation process.

Therefore, we are asking in the first instance that our contracts are extended for 12 months to enable:

1. Retain stability in the sector whilst West Sussex County Council further consult with the District and Borough Councils, Primary Care and NHS trusts and the Criminal Justice agencies to develop an effective joint commissioning structure so services can be jointly recommissioned to respond to the ever-growing needs of our present and future service users.
2. Central Government to conclude their reviews of the funding of Housing Related Support Services. This would be running concurrently with the West Sussex review. If locally we lose the services in September 2019, they are lost forever. We would not be able to sustain and retain the buildings we have purposely invested in and developed, and which support our successful service models. We would lose staff who have been trained to high levels of competences. Should government conclude that an improved allocation process of funding for Housing Related Support is required then providers and commissioners will need to start from scratch in rebuilding the sector.
3. The Local Assistance Network would allow full consideration of how the financial safety net for those who are in financial crisis can be equitably distributed.

Finally, we would like to see a comprehensive and extensive impact assessment to be completed by the County Council. This has not yet been forthcoming, and we are aware that certain key stakeholders such as CCGs and Hospital Trusts have not been fully engaged.

Hilary Bartle – Chair of the West Sussex Coalition of Providers

1] Why is this Report Necessary?

The West Sussex Coalition of housing related support services was created in September 2018 as a response to the announced proposal by the County Council to review continued funding of all services across West Sussex. It is formed of 17 providers who deliver a wide range of services to over 8,000 vulnerable local residents each year.

As we will demonstrate in this report, housing related support services and the Local Assistance Network, although often viewed as a preventative intervention, are in fact an absolutely vital component in keeping some of our most vulnerable citizens able to live independently in their own homes, remaining mentally and physically well, and equipped with the skills to navigate the increasingly complex realities of daily life.

The support services that Coalition member provide not only help people at a human level but, by preventing their lives from falling into worse case scenarios, they also deflect the potential costs of these scenarios away from local authorities and statutory services.

As part of the Coalition's response to the consultation process, ten organisationsⁱ have pooled their data in order to undertake some high-level analysis of current service provision across the county. The aim of this work is to demonstrate the additional cost savings made to other statutory services through the investment by West Sussex in housing related support services.

For many people in West Sussex, preventative support services are not just a pleasant addition to their daily lives, they represent an absolutely vital component in keeping them living independently in their own homes, remaining mentally and physically well, and allowing them to keep pace with the modern world.

For older people, many of whom neither possess computers nor any experience of using them, support from such services allows them to navigate a world which has now shifted almost entirely online. As one client put it, *"I am 84 years old and I am confused easily. I would not have been able to fill in the forms myself."*

For any clients who are homeless, these services offer the best hope of turning their lives around and escaping a desperate situation either in precarious temporary accommodation or on the streets. One client helped into a tenancy and a new life by one of these services spelled out the stark alternative that he would have faced in their absence, *"I was homeless so I would have probably had to go back sleeping in my car. I had no-where to go."*

For thousands of similar people across West Sussex, however they have been helped, the story is the same. The support services that undertake this work not only help people at a human level but, by preventing their lives from falling into worst case scenarios, they also deflect the potential costs of these scenarios away from local authorities and statutory services. The Coalition requests that this evidence be taken into account as part of the decision making process.

And, as will be demonstrated, these 'avoided costs' can be considerable; **one West Sussex pound provides seven and half pounds in avoided costs elsewhere.**

The West Sussex Coalition therefore believes that **careful consideration needs to be given to the demonstrable outcomes and savings achieved by preventative services, against which to offset their immediate costs.** Only by looking at the whole picture can the real value of these services be judged.

A Note about the Data

The data generated by care and support services has varying levels of detail. However, where that is true, it is necessary to understand that these are operational services, not longitudinal research projects. Sometimes, for support workers, maintaining complete and highly-ordered data records inevitably takes second place to helping a desperate human being sitting opposite them. A 90-year old suffering from hypothermia in an unheated flat in mid-winter or a family minutes away from being evicted onto the street on a wet February afternoon are in no position to answer lengthy surveys around their demographic details or referral status. And such situations are the everyday realities of staff working at the sharp end of care and support services the length and breadth of the UK.

The ten contributing Coalition organisations were able to marshal data for almost 10,000 clients in a matter of a few days, an admirable feat in itself, and any variability in this data is necessarily the result of the circumstances outlined here.

2] Who is Using Coalition Services?

The reasons why people have needed to use Coalition services are as diverse as the clients themselves: each person is unique, as are their support needs. However, for the sake of this report, we have grouped the Coalition’s pooled data into four main categories of work: older people, young people, homelessness prevention and the Local Assistance Network (LAN)ⁱⁱ. Using this data, we can produce a reasonably indicative picture of service demand across West Sussex.

Looking at the operational data for the last financial year (1 April 2017 to 31 March 2018), we can see that 8,301 people across West Sussex have been supported by the ten Coalition services. This is, obviously, a substantial number of people. It must be borne in mind, though, that not every organisation was able to submit its annual data into the collective pool in time for this report, and so the actual number of people supported will be even higher than 8,301. For our purposes here, however, we will accept this figure as a reasonable basis for our analysis.

In terms of our ‘Big Four’ main categories, the relative breakdown of these 8,301 clients is shown below in Figure 1:

Figure 1. - Clients by Category

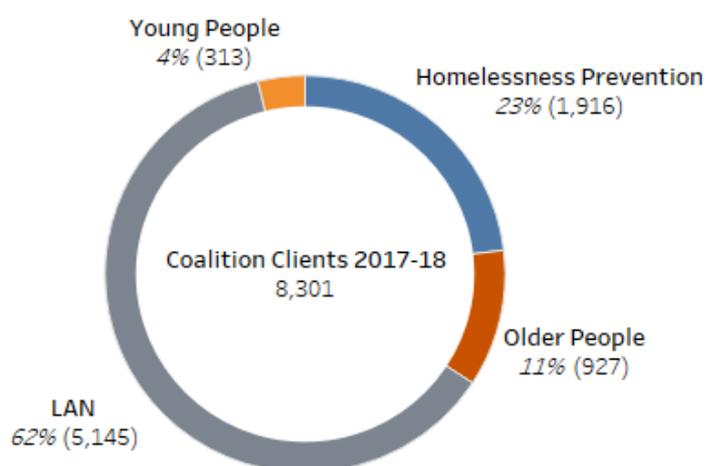


Figure 2. - Non-LAN Clients by Primary Need

Homelessness	35.23%
Benefits Issues	15.21%
Vulnerably Housed	13.12%
Eviction	8.05%
Frail and Elderly Support	6.94%
Debt / Financial Crisis	4.78%
Rough Sleeping	4.21%
Develop Independent Living Skills	2.79%
Prison Discharge	2.06%
Fleeing Domestic Abuse	1.84%
Relationship Breakdown	1.62%
Resettlement	0.79%
Mental and Physical Health	0.57%
Harassment / Violence	0.51%
Social Isolation	0.51%
Blue Badge	0.44%
Hospital Discharge	0.41%
Budgeting	0.35%
Young Person Leaving Care	0.29%
Parental Eviction	0.22%
Hoarding	0.06%

Figure 3. - LAN Clients by Primary Need

Debt / Financial Crisis	100.0%
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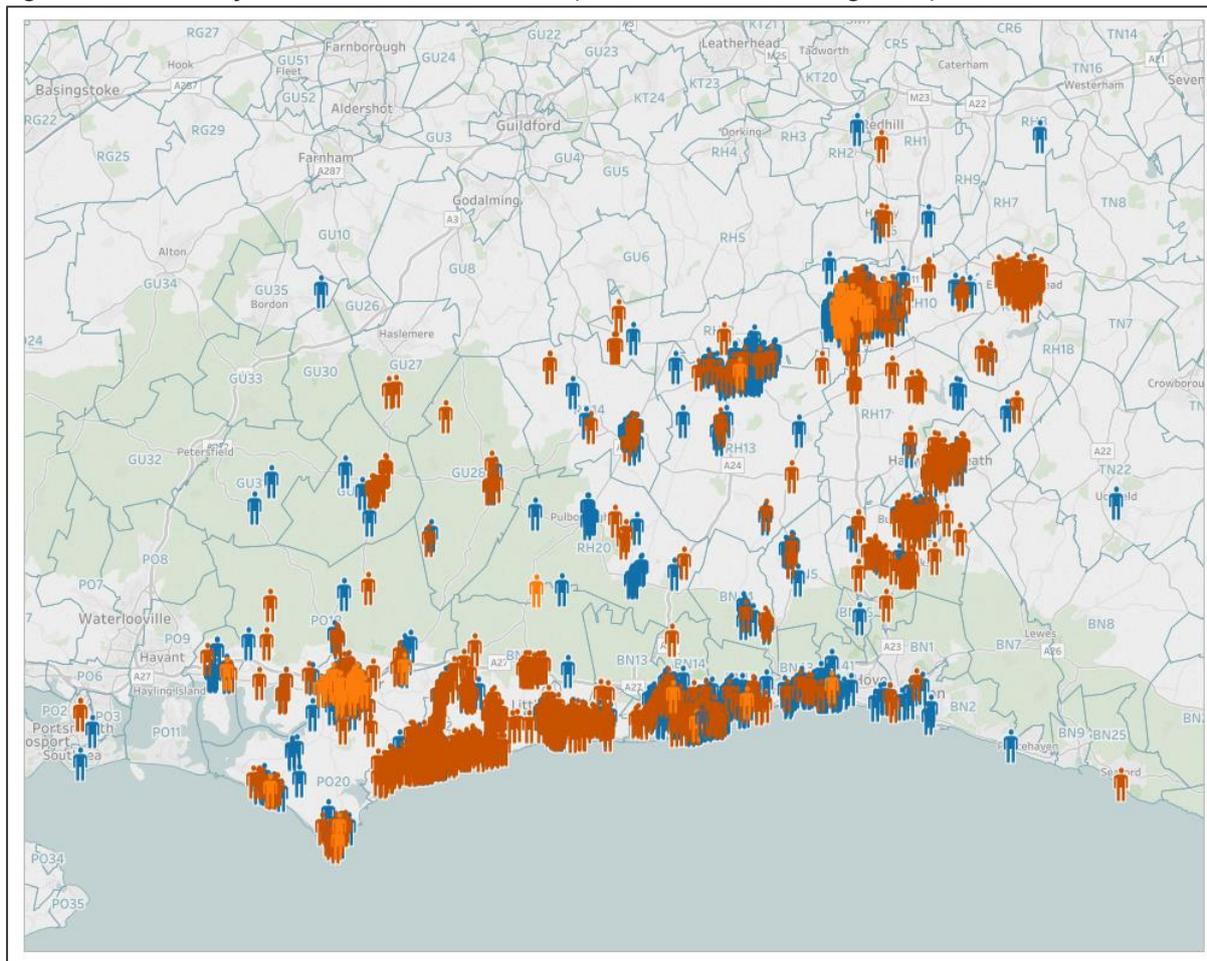
Figures 2 and 3 show a further breakdown of these clients by their ‘primary presenting need’ for non-LAN and LAN clients respectively. As can be clearly seen, for the former **issues of homelessness, debt and financial crisis, precarious housing and vulnerability due to age predominate**. Though it may seem surprising that mental health represents only a seemingly-small half of one percent, it must be kept in mind that many of these primary needs will be driven by underlying mental health issues, the ‘secondary need’. When looked at separately, **mental health issues constitute 40% of the clients’ secondary need**.

3] Where are the Coalition's Clients Located?

Where the data includes a postcode for a client supported, their geographical location across the county has been mapped below in order to show the dispersal pattern.

PLEASE NOTE - Some clients, who had no address by dint of their homelessness, will have supplied one associated with the location where they are sofa-surfing, staying with relatives etc. These are West Sussex residents, but *some* will be staying temporarily out of borough (OOB). OOB clients are also included here in furtherance of illustrating client numbers fully.

Figure 4. – Clients of Coalition Services 2017-18 (Colour Coded as Per Figure 1.)



As we can see, the sheer number and density of clients is so great that each main client category is shown separately in thumbnail below in order to better see its distribution:

Figure 5. - Clients of Coalition Services 2017-18 by Category



From these maps, we can see that demand for services is considerable, stretching across the whole county from Bognor Regis to East Grinstead, a distance of some 50 miles. Each of these shapes represents a vulnerable person with their own story: someone who is a carer for a seriously-ill relative, a mother or father suffering from dementia, a person trying to overcome their learning disability or mental health issue, someone trapped by financial worries or struggling to get away from sleeping on the streets and put a roof over their head. To help with such enormous challenges, **these people rely on services.**

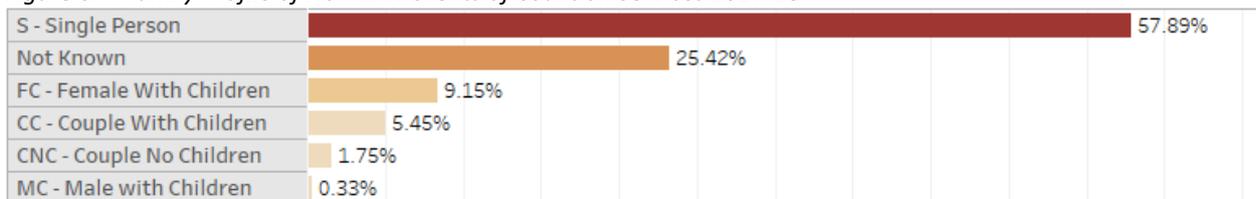
As one client said, without them, “I wouldn’t have been able to cope.”

(It should be noted that clients of the LAN (at 62% of the data, some 5,145 clients) are depicted as a single grey shape in Figure 3 since they share a postcode (the point of access to the service, not their residential address). Hence once again, the true geographic picture is even more complex than that presented here).

The Picture around Families and Children

The chart in Figure 6 below breaks down the familial situation of the non-LAN clients shown on the maps above:

Figure 6. – Family Profile of Non-LAN Clients of Coalition Services 2017-18



Therefore, in addition to services provided directly to the clients, we know that **in at least 15% of cases, these services are also benefiting spouses and children.** Using the current UK average of 1.9 children per familyⁱⁱⁱ, this would amount to some 900 children. Given that the domestic situation of over 25% of the clients is not known, in reality this figure is again likely to be higher.

In regard to LAN clients, the familial situation is shown below in Figure 7:

Figure 7. - Family Profile of LAN Clients of Coalition Services 2017-18



Making a similar assumption of 1.9 children per relevant banding, **this amounts to an additional 3,617 West Sussex children who have benefited from Coalition services.**

Just as a stone thrown into a pond will ripple out in concentric circles far beyond the point of impact, it cannot be overstated that services provided by West Sussex will ripple out amongst its population in the same way. **For those clients whose tenancy is maintained, who are found new accommodation, or who escape from debt or financial disaster, the positive effects of this will also be felt by their partners and children.** Particularly to the latter, the impact of this will be an immeasurable and incontestable good.

4] What is the Financial Case for Such Services? – The Avoided Cost Perspective

Although preventative services such as the Coalition’s are not statutory, an overwhelming financial case for their provision has been demonstrated persuasively before.

For example, in the report ‘*Research into the financial benefits of the Supporting People programme*’ published by the Communities and Local Government Agency in June 2009, Capgemini examined the total cost of providing preventative services as against the expenditure that would be necessary on alternative services. The report demonstrated that the removal of these services would lead to increased costs in the areas of health and alternative care packages, tenancy failure, homelessness and crime - it concluded that **for the local authorities that commissioned preventative services, every pound invested in them saved multiple pounds elsewhere.**

Coalition services benefit West Sussex in terms of such ‘avoided costs’^{iv} in exactly the same way - **every ‘Sussex Pound’ invested in these services prevents almost seven pounds from needing to be spent elsewhere in the system.**

Let us examine a few of the most significant components of this multiplier effect.

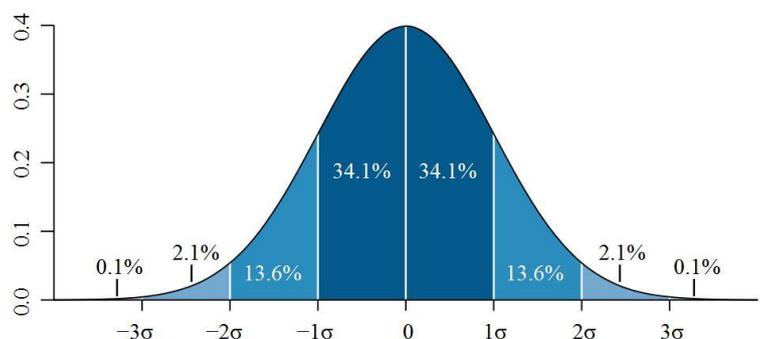
Example 1 – Avoided Costs around Residential and Nursing Care

It is well-documented that a high proportion of West Sussex’s population falls into the older age bracket^v. One of the main imperatives of the county’s service provision is to support older people to remain living in their own homes, rather than needing to go into alternatives such as residential or nursing care. By every generally-agreed metric - mental wellbeing, physical health, cost effectiveness - this is the best possible scenario for older people if it is at all practical.

Coalition services support older West Sussex residents to remain in their own homes through a huge range of interventions, from arranging aids and adaptations, to helping with finances and utility bills, to support around shopping, meals and social isolation. **Without this support, many older people would simply not be able to stay in the homes that they have known for many years.** One of the service’s clients^{vi} summed up their situation, one that applies to many of the people with whom the service works: **“I am 78 years old and my son lives a long way away. I don’t know what I would have done without it.”** If the service were not supporting these people to live independently, a proportion of them would instead need residential and nursing care.

Statistically, we can use the ‘empirical rule’ (68-95-99.7) and the Standard Normal Distribution curve to allow us to model the ‘avoided costs’ that such an alternative scenario would represent.

Assuming that our client population is normally distributed around the support need mean^{vii}, this allows us to estimate that 145 clients would be unable to remain living in their own home. If we further assume that 10% of these people were able to move in with family and relatives, this would mean that:



- 114 people (representing the 13.6% area under the curve between 1σ and 2σ) would need frail elderly residential care at a cost of £547 per week^{viii}. This would amount to an annual spend of £3,242,616; and
- 17 people (representing the 2.1% area under the curve between 2σ and 3σ) would need nursing / dementia care at a cost of £707 per week. This would amount to an annual spend of £624,988.

This would represent a total alternative spend of **£3,867,604 per annum** for West Sussex^{ix}.

Looking at these figures, two things stand out. Firstly, all the figures are sizeable - and the total is very large indeed. Secondly, on their own **these total avoided costs around residential accommodation exceed the entire annual funding for the Coalition's older people services several times over.**

It is worth acknowledging, too, that this model is based on the assumption that only the top 15% older people would require residential, nursing or dementia care in the absence of the service - the actual percentage is likely to be significantly higher.

The size of these figures also demonstrates that there is a strong economic case for funding preventative services: **services that allow older people to remain in their own homes do not just cost money - they also save money, and those savings may be substantial.** In the absence of the Coalition's services, these avoided costs would fall back to West Sussex elsewhere in the system.

Example 2 – Avoided Costs around Safeguarding and Domestic Violence

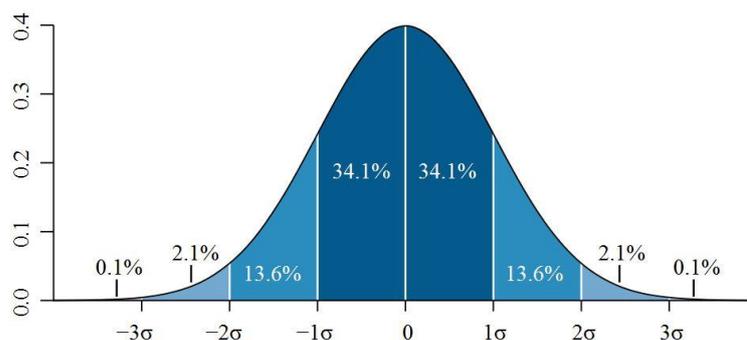
Coalition services also provide refuge services giving specialist support to survivors of domestic abuse, rape and sexual violence, female genital mutilation (FGM), forced marriage, so-called 'honour-based' violence, sexual exploitation, modern slavery, and human trafficking in the UK. Refuges also offer some of these services to men and boys. They provide non-judgemental environments, with complete protection around identity and location (even most of the staff of provider organisations do not know where the services are located), giving support to rebuild lives life free from violence and fear. The safety of their clients is their utmost priority.

It is no exaggeration to say that the clients of these services are amongst the most vulnerable and desperate of all citizens in British society. Often, too, they are not alone, but are accompanied by traumatised and confused children.

During 2017-18, 58 clients were supported by Coalition services in a refuge setting.

If Coalition services were not supporting these clients to escape their dangerous domestic circumstances, a proportion of them would instead experience violence and harm at a significant level.

Calculating on the basis that, without a place of safety, those



clients at the top end of the distribution (the 16% over 1σ) would suffer a serious wounding, this would mean that:

- 9 people would incur the ambulance and hospital costs of a serious wounding incident, at the cost of £14,244.5 per incident. This would amount to an annual total of £128,200.5;
- These same 9 incidents would also incur the criminal justice costs of such an assault, at the cost of £21,517.5 per incident. This would amount to an annual total of £193,657.5;
- A decision to charge was made for 72% of domestic abuse-related cases referred to the Crown Prosecution Service (CPS) by the police, and of those that proceeded to court, convictions were secured for 76% of domestic abuse-related prosecutions^x. We can, therefore, estimate that 6 people would be brought to trial, at a cost of £48,000 per trial, amounting to a total spend of £292,800. Furthermore, it would mean conviction of 4 of these people. If we assume a custodial sentence of one year, each at a cost of £60,000 per annum, this would amount to a further annual total of £240,000.

Overall, this would represent a total alternative spend of around £854,658 for these nine incidents alone.

Given that the clients at the top end of this distribution are ‘the most vulnerable of the most vulnerable’, again, taking the top 16% is a circumspect approach, and the true number of incidents may well be even higher. It should be noted, too, that we have calculated on the basis that these incidents are serious assaults with wounding. A homicide - a rare but by no means impossible event in the most severe cases of domestic abuse - incurs a cost of £3.2m for a single incident^{xi}.

Although these avoided costs would mainly be borne instead by the health and criminal justice sectors, it nevertheless means that in absence of the Coalition’s refuge services already at-capacity health and police services in West Sussex would be devoting almost £1m of their resources to otherwise preventable incidents. **This has serious real-world implications, it is not merely a figure on a spreadsheet: it means fewer ambulances, hospital staff, bed spaces and police officers available for other needful residents of West Sussex.**

Example 3 – Avoided Costs around Homelessness

Tackling homelessness represents one of the most important areas of activity for Coalition services, encompassing some 23% of our pooled data client base when split into the ‘Big Four’ categories shown in Figure 1.

Rough sleeping is the most visible and easily-recognised symptom of homelessness, but numerically it is the ‘hidden homeless’ - people in temporary local authority accommodation, sofa surfing, living in cars, vans, caravans and even sheds - that represent the major part of the iceberg hidden below the surface. **It is around homeless prevention, also, that preventative services offer truly substantial avoided cost savings to West Sussex.**

Looking at the Coalition outcome data for 2017-18, 845 people were supported to avoid tenancy breakdown and resultant homelessness. **These 845 clients were either supported**

to resolve and overcome their issues and remain in their accommodation, or to find new accommodation. They were, therefore, prevented from ever needing local authority homelessness assessment.

When looking to estimate the costs that such preventative support work has avoided, we can here take advantage of some outstanding work done by Crisis and the New Policy Institute who looked in great detail at the financial costs involved in failed tenancies in ‘How much, how many? Single homelessness and the Question of Numbers and Cost’ (2003). This work identified a number of different homelessness scenarios following tenancy breakdown, and provided comprehensive costings and timescales for each one, as summarised in Figure 8 below:

Figure 8. – Costs (£) of Common Tenancy Breakdown Scenarios (Crisis / New Policy Institute)

Cost Category	Borne by	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Failed tenancy	Landlord	3000			3000		3000
Temporary accommodation	Local authority		3000	7000	10500	22000	21000
Support services	Local authority			2500	2000	1500	4500
Health services	NHS		1000		7000	16000	40000
Police and criminal justice	Police / courts			1500	1500	15000	14500
Potential resettlement	Various	500	3000		500	1500	
TOTAL		3500	7000	11000	24500	56000	83000
Duration of Scenario		6 months	6 months	12 months	12 months	18 months	24 months

Taking a normal distribution of the 845 clients and overlaying it against this table^{xii}, where Scenarios 1, 2 and 3 equate to -3σ , -2σ and -1σ respectively, and Scenarios 4, 5 and 6 to $+1\sigma$, $+2\sigma$ and $+3\sigma$ respectively (i.e. the majority of client falling in the middle, with ‘tails’ of people at the extreme end points), we can calculate the following;

- 18 clients (2.1%) in Scenario 1;
- 115 clients (13.6%) in Scenario 2;
- 288 clients (34.1%) in Scenario 3;
- 288 clients (34.1%) in Scenario 4;
- 115 clients (13.6%) in Scenario 5; and
- 18 clients (2.1%) in Scenario 6.

Running these numbers through the costings outlined in the scenarios, we can derive the table shown in Figure 9 below:

Figure 9. – Costs (£) Avoided by Coalition homelessness prevention work 2017-18

Cost Category	Borne by	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Failed tenancy	Landlord	54000			864000		54000
Temporary accommodation	Local authority		345000	2016000	3024000	2530000	378000
Support services	Local authority			720000	576000	172500	81000
Health services	NHS		115000		2016000	1840000	720000
Police and criminal justice	Police / courts			432000	432000	1725000	261000
Potential resettlement	Various	9000	345000		144000	172500	
TOTAL		63000	805000	3168000	7056000	6440000	1494000
<i>Duration of Scenario</i>		<i>6 months</i>	<i>6 months</i>	<i>12 months</i>	<i>12 months</i>	<i>18 months</i>	<i>24 months</i>

These figures show that very sizeable amounts of expenditure are avoided through Coalition preventative services. For these 845 clients (assumed under these models to be single but, in reality, possibly also having dependents), **£19m** of cost has been avoided, **some £9.8m of which would have fallen directly to West Sussex** (along with £4.7m to the NHS and £2.8m to the criminal justice system).

It is always worth ‘sense checking’ the results of any statistical calculation against real world common sense. Here we might do so by asking, ‘Does an average cost of £22,516 per person seem a reasonable cost assumption for dealing with their homelessness?’ Given the substantial amount of time and resource necessary to resolve such highly-complex issues, in this case the calculated assumptions seem neither unrealistic nor inflated.

Young People and Homelessness

Amongst the figures for homelessness analysed above are included those of the 313 young people with whom the Coalition has worked. These young people, a majority of whom are leaving the care system for the first time, are particularly vulnerable to issues of disrupted education, anxiety and debt. **This is a high-risk group for safeguarding issues of all types.**

A safe, warm and stable place to live is the first, crucial step for every homeless young person. Coalition services can then help to tackle associated physical and mental health issues, teach basic life skills and get them back into education, training or employment - this is the recipe for supporting homeless young people into positive and independent living.

Many of these young people have Relevant Child, Former Relevant Child or Qualifying Care Leaver status and, consequently, **under the Children’s Act 1989, in the absence of Coalition services being provided, any safeguarding issues and associated costs currently avoided by service provision would fall back entirely as an increased resource and financial burden on West Sussex.**

Here again, with the considerable cost of residential care, the costs avoided through the provision of Coalition services are very substantial, as we can see in the worked example below.

Example 4 – Avoided Costs of Residential Care for Young People

During 2017-18, Coalition services supported 45 young people to avoid being placed in, or needing to return to, residential care. With the average cost of such placements being £3,223 per week in local authority homes and £3,161 per week in private or voluntary homes^{xiii}, if we use a mean figure of £3,192, and assume that 100% (45) of these young people would otherwise have spent six months in residential care, we can see that **£3,734,640 of cost has been avoided, the entirety of which would have otherwise fallen directly to West Sussex.** If only 50% (22) of these young people needed in fact to spend 12 months in care, this figure rises to **£5,560,464.**

We can again ‘sense check’ this sizeable figure with reference to the independent review of children’s residential care carried out by Sir Martin Narey (former Chief Executive of Barnado’s) in 2016 for the Secretary of State for Education. Sir Martin stated:

“The annual cost of caring for the 8,300 children [in care] is about one billion pounds. The cost of the 5,300 children in children’s homes (the main focus of this review) is about £750m a year.”^{xiv}

It should be noted that these costs are confined solely to avoided care. The work of Coalition services also includes the ‘positive’ work of supporting young people into education and training, securing employment and encouraging their better management of their mental and physical health.

Example 5 – Avoided Costs around Other Mental Health Issues

As we saw earlier, poor mental health underlies a significant proportion of client need. Individuals struggling with psychological disorders are at greater risk for decreased quality of life, educational difficulties, homelessness, unemployment, poverty, social problems, vulnerability to abuse, and additional physical health problems. The tendrils of mental ill-health stretch so far into the individual’s life that almost no area goes unaffected.

Costings around mental ill health have - largely - been analysed as part of the homelessness cost models examined above. However, people do not have to be homeless to suffer from mental illness, and a proportionate of Coalition clients who had no *immediately-apparent* issues around accommodation or homelessness, nevertheless suffered from its debilitating consequences.

Looking at the Coalition’s pooled outcome data, 246 clients were supported successfully to access specialist mental health treatment. Given that the clients seen by the Coalition’s services are frequently near crisis point around their mental health, if we assume conservatively that in their absence 25% of clients (those without accommodation issues) would otherwise have a serious mental health episode, we can calculate that:

- 62 people would have a serious mental health episode at a cost of £9,300 per episode. **This would amount to an annual total of £576,600.**

Many of these clients, even once any immediate episode was resolved, may well need recovery time in an acute environment. This **additional care would include residential care settings, the cost of which (under section 117 of the Mental Health Act 1983) would then become the responsibility of West Sussex.** As we saw under [Example 1](#) above, costs around residential care are sizeable, and aggregate extremely rapidly.

Here again, anecdotal evidence suggests that some level of under-reporting is likely to be involved. Due to the stigma that unfortunately still surrounds it, some percentage of presenting needs that are actually driven by mental ill health will not be categorised thus. This represents a key area of future analysis in order to tease out the true picture more fully.

Example 6 – Avoided Costs around Criminal Justice

A proportion of the clients supported by Coalition services are ex-offenders and those leaving prison. Leaving incarceration after even a short sentence can be an immensely difficult time and, in worst case scenarios, poor mental health, alcohol and substance problems, unemployment and injurious social networks can conspire, either individually or collectively, to drive up rates of reoffending.

Research published in 2018 by the Ministry of Justice showed that those who received community interventions *“had a lower frequency of re-offences than those who did not, and that participants who reoffended, did so later than nonparticipants.”*^{xv} These findings accord with the outcomes achieved by Coalition services when working with ex-offenders and prison leavers to prevent reoffending behaviour.

During 2017-18, Coalition services worked successfully with 67 ex-offenders and prison leavers in order to prevent reoffending behaviour. From this, in the absence of Coalition services we can calculate that:

- 67 reoffenders would each cost the criminal justice system £104,000, meaning a total annual spend of £6,968,000;
- These same 67 reoffenders would also incur simultaneous costs of £49,600 to non-criminal justice services, for example around hospital treatment for victims, repairing damage to property and so on. This would amount to an annual total of £3,323,200.

Coalition services have allowed avoided costs of £10,291,200 around reoffending during 2017-18. If this seems a truly astonishing sum, that it is because it is. However, we can again ‘sense check’ it through relevant contextualisation. **The cost of reoffending by former prisoners to society is estimated to be around £15 billion a year**^{xvi}. **That equates to £1.7 million every hour of every day.** When seen as part of that cost, this calculation of £10.3m per annum seems entirely in accordance with the known facts.

Other Avoided Costs

Above are worked examples around five categories of avoided cost. Given the extensive work of Coalition services, there are many more such categories. In the interests of brevity, we will here do nothing more than outline a few of them in their barest form:

- Older clients are supported to manage their physical health and mobility, particularly in regard to fall prevention. The cost of single fall is £1,046 to social services and a further £1,519 to the NHS;
- Clients are supported to manage a range issues which *in extremis* have potential legal outcomes, for example financial debt. The cost of a court appearance is £1,083;

- Valuable NHS bed spaces are freed up for West Sussex people in greatest need as Coalition services support clients to recuperate in their own homes, rather than remaining in hospital. The cost of a hospital bed space is £400 per day;
- Clients are helped to manage their alcohol and substance misuse issues, engaging with specialist services to overcome their problematic use. The cost of an arrest for drug supply or possession is £5,504.

A Note on the LAN

The LAN provides short-term, practical aid, such as food or furniture, to people in a crisis. At its most basic, the LAN helps people who have no other way of getting assistance. It is open to those who:

- are on benefits or a low income;
- are facing an unforeseen emergency that puts them or their family at risk;
- need help moving into or remaining in the community; or
- live in West Sussex or are being resettled here.

Figure 10 below shows the main types of assistance provided by the LAN during 2017-18:

Figure 10. – Assistance Types Received by LAN Clients 2017-18

Food	35%
Utilities Top Up	17%
Furniture	13%
White Goods	12%
Signposted	10%
Travel	6%
Other	4%
Assistance Declined	1%
Clothing	1%

Having supported 5,145 people during 2017-18, we can see that 35% of the LAN’s outcomes were around provision of food to clients in desperation. **That equates to several thousand West Sussex residents - including a significant number of children - being fed as a direct result of LAN service provision.**

As per [Maslow’s Hierarchy of Needs](#), other than shelter there is no human support intervention more basic than feeding people. The very fact that these clients are approaching the LAN in order to eat should give serious pause for consideration around the level of need being encountered here.

Given that only 1% of the LAN’s referrals are refused, and that it constitutes the ‘service of last resort’ for those with no alternative, it is not unreasonable to ask ‘*Where would these clients turn to in its absence?*’ It is difficult to estimate how many safeguarding cases (both around adults and children) would follow in such an alternative scenario. However, with an inability to even feed oneself serving as a fairly practical proxy indicator of the severity of these cases, we can be reasonably assured that they would be many and complex. Resolution of these, and their associated costs, would then become the direct responsibility of West Sussex.

5] Some Conclusions

There can be no question that demand for the services that the Coalition provides is high. In this report we have seen that 8,301 people used ten services in the one-year period of 2017-18 alone. Anecdotally, too, staff report that demand is rising month on month, and that the complexity of individual cases is increasing likewise. It is this demand that fuels the provision of services, not their presence that encourages the demand. Quite simply, if there were no need for such services, they would not be funded in the first place.

Logically, therefore, **the absence of such services would open the floodgate to a whole host of accommodation, medical, psychological, financial and social knock-on effects and, as we have seen, the costs of these would escalate extremely rapidly.**

As we saw in the worked examples, **in the absence of the Coalition services, these avoided costs would not disappear - they would merely reappear elsewhere and need to be absorbed into other parts of West Sussex's infrastructure, be it the local authority social services or other already at-capacity public services such as the NHS and the criminal justice services.**

Even taking a very guarded approach, the analysis in this report crystallises the costs that the ten Coalition services have helped avoid at **£38.3m^{xvii}** for a single year alone. When set against an annual budget of £5.1m for these ten services, this represents a multiplier of almost seven - **for every West Sussex pound put into the budget for service provision, seven and a half are saved elsewhere in the system.**

It is, therefore, no hyperbole to say that **the question is not whether we can afford such services but, conversely, whether we can afford to be without them.**

This report was produced by David Solomons on behalf of the West Sussex Coalition of Providers (15 November 2018). David Solomons is the Director of Business Information at Peabody. [The Peabody Trust](#) was founded in 1862 and is one of the UK's oldest and largest housing associations with around 55,000 properties across London and the South East. It is also a community benefit society and urban regeneration agency, a developer with a focus on regeneration, and a provider of a range of care and support services, including older people's services in West Sussex.

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ENDNOTES

ⁱ The ten organisations that have pooled data for this report include Bognor Housing Trust, Change Grow Live, Crawley Open House, Life, Peabody, Safe in Sussex, Southdown, Stonepillow, Turning Tides and the YMCA.

ⁱⁱ The Local Assistance Network (LAN) provides short-term, practical aid, such as food or furniture, to people in a crisis.

ⁱⁱⁱ <https://www.bbc.co.uk/news/health-42110846>

^{iv} All calculations that follow use the 2009 CapGemini unit costings, adjusted for inflation to 2018 levels according to the Office for National Statistics document '[RPI All Items: Percentage change over 12 months](#)'.

^v <https://www.bbc.co.uk/news/uk-england-sussex-11675803>

^{vi} Client Reference 43077907 (Peabody).

^{vii} In this case, assumption of a normal distribution is not unreasonable. Black Swans notwithstanding (see Nassim Nicholas Taleb), the client needs analysed in this report represent frequent and everyday occurrences familiar to all staff in all services, not rare or otherwise unlikely events whose very appearance can be contested.

^{viii} The weekly costs used here represent the midpoint between the minimum and maximum 'usual costs' for West Sussex residential care. Source: LaingBuisson 'CareMarkets : Annual Survey of UK Local Authority Usual Costs; 2017/2018'.

^{ix} Here we might sense check our calculation by asking, 'Does it seem reasonable when looking at the annual client caseload of 927 older people that 145 would otherwise be in residential or dementia care?' In this case, the calculated assumptions seem reasonable. Service staff, when asked, were of the opinion that this figure was indeed rather low.

^x '*Domestic abuse in England and Wales: year ending March 2017*', Office of National Statistics.

^{xi} '*The economic and social costs of crime Second edition: Research Report 99*', Heeks, Reed, Tafsiiri and Prince, July 2018.

^{xii} The cost distribution curve will associate closely with the support need distribution curve.

^{xiii} The costings are taken from the 2014 Department of Education Children's Homes Data Pack (p.4) and adjusted for inflation using the ONS formula. The Children's Homes Data Pack is available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/388701/Childrens_Homes_data_pack_Dec_2014.pdf

^{xiv} This quote is taken from page 6 of Sir Martin Narey's report, which can be viewed at: https://www.ncb.org.uk/sites/default/files/field/attachment/news/Residential_Care_in_England_Sir_Martin_Narey_July_2016.pdf

^{xv} '*Justice Data Lab statistics quarterly, England and Wales, January 2018*', Ministry of Justice.

^{xvi} <http://researchbriefings.files.parliament.uk/documents/CDP-2017-0026/CDP-2017-0026.pdf>

^{xvii} It should be understood that though there is likely a margin of error of +/- 10% on this figure (and the individual figures that constitute it), this is not detrimental to the credibility of the overall conclusion around the size of the multiplier effect. Any error rates will be dwarfed by the fact that the assumptions made have been so cautious, and the real numbers of clients involved are likely to be very much higher.

END OF DOCUMENT