

## **Business Case for PRG – Target 6 in Safer Stronger Communities block**

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### **Outcome**

Housing improvement and preventative services for vulnerable citizens promoting social inclusion and cohesion

### **Indicator by which performance will be measured**

We will use Supporting People Key Performance Indicator KPI2 which measures service users who have moved on from supported housing schemes funded by Supporting People in a planned way as a percentage ratio of all service users who have left the service and applies to short term accommodation based services (less than 2 years) and direct access accommodation (where the intended length of stay is less than a month).

### **Current performance**

See baseline figures in the tables below.

### **Performance at the end of the period of the Local Area Agreement**

Performance will be measured over the period of April 2007 – April 2010.

### **Performance – without stretch**

|                              | <b>Baseline</b> | <b>07-08<br/>without<br/>stretch</b> | <b>08-09<br/>without<br/>stretch</b> | <b>09-10<br/>without<br/>stretch</b> |
|------------------------------|-----------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Planned Moves                | 729             | 749                                  | 769                                  | 789                                  |
| Unplanned Moves              | 409             | 402                                  | 395                                  | 388                                  |
| Ratio – planned to unplanned | 64%             | 65%                                  | 66%                                  | 67%                                  |

### **Performance – with stretch**

|                              | <b>Baseline</b> | <b>07-08<sup>1</sup><br/>with<br/>stretch</b> | <b>08-09<sup>2</sup><br/>with<br/>stretch</b> | <b>09-10<sup>3</sup><br/>with<br/>stretch</b> |
|------------------------------|-----------------|---|---|---|
| Planned Moves                | 729             | 769   | 809   | 849   |
| Unplanned Moves              | 409             | 394   | 379   | 364   |
| Ratio – planned to unplanned | 64%             | 66%   | 68%   | 70%   |

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<sup>1</sup> Indicative figure based on performance in 05-06 – the last complete year of stats available – performance reward relates to KPI2 % ratio

<sup>2</sup> As above

<sup>3</sup> As above

## **Performance Analysis**

The enhanced performance achieved through inclusion as a stretch target means that, over the period of the LAA, an additional **144 service users** will benefit. This is broken down as follows:

- ⇒ **60 more service users** will be enabled to move out of supported housing and into more suitable independent accommodation in the community
- ⇒ **60 more service users** will be enabled to move into the vacancies created by the additional planned moves from psychiatric hospital, registered care placements, the streets or other forms of homelessness.
- ⇒ **24 fewer service users** will be prevented from losing their accommodation and returning to homelessness, prison or hospital

As stated, the extra planned moves predicted as the stretch in performance in this area during the lifetime of the LAA will be achieved through improving move-on from short-term supported housing for non-statutory single homeless people (including rough sleeper services) and those with mental health problems. The specific breakdown of extra people who will benefit from the stretch in performance over the course of the LAA is as follows:

| <b>Extra Performance</b>  | <b>Units</b> |
|---|--------------|
| People with MH problems enabled to move on in a planned way from supported accommodation to independent accommodation in the community (with floating support attached)   | 30           |
| Single homeless people enabled to move on in a planned way from supported accommodation to independent accommodation in the community (without floating support attached) | 30           |
| People with MH problems able to move into supported housing vacancies from delayed discharge psychiatric wards  | 15           |
| People with MH problems able to move into supported housing vacancies from residential care   | 15           |
| Rough sleepers enabled to move into supported housing vacancies from the streets.   | 30           |
| Service users in rough sleeper services being prevented from abandoning/being evicted and avoiding a return to the streets  | 8            |
| Service users in rough sleeper services being prevented from abandoning/being evicted going into hospital for an acute admission  | 8            |
| Service Users in rough sleeper services being prevented from abandoning/being evicted and going into custody  | 8            |
| <b>Total Service Users benefiting</b>   | <b>144</b>   |

Maintaining current/baseline performance in this area is challenging. Lambeth has over 1,000 units of short term supported accommodation for non-statutory socially excluded groups funded through the Supporting People programme – many more than most local authorities – and this includes services for rough sleepers, single homeless people, those with a mental health or substance misuse problem and those with an offending background. Our baseline performance has seen us achieve 729 planned moves and 409 unplanned moves per year. This level of move on is challenging to maintain and, obviously, even more challenging to improve to the degree set out above.

We have 250 units of short-term accommodation for rough sleepers and voids are rare. The throughput in such services is around 100% so that means we are housing approximately 250 rough sleepers a year in Lambeth. Although the street counts don't find more than 9 on any one night, this is because of the fact that our outreach teams pick

people up as they become street homeless and move them into our services ensuring a good flow through for street homeless people in Lambeth and neighbouring boroughs. Obviously a proportion of our rough sleeper beds are for people from outside Lambeth but, if we consider our main three rough sleeper hostels, we have 131 out of 207 bed-spaces ring-fenced for Lambeth street homeless people. From that point of view, stretching our performance to achieve a target that an extra 10 rough sleepers per year will be enabled to move into Lambeth supported housing funded by Supporting People is very credible.

With regard to rough sleepers falling out of our services, we have data from 05-06 (last complete year stats are available) which show that we had 135 people leave our rough sleeper services in an unplanned way (51 evicted, 59 abandoned and 25 other). Of these 135 unplanned departures, where destinations are known, 21 were taken into custody, 15 entered hospital, 1 returned to a care home and 6 returned to the streets. Obviously given this data, we can be reasonably confident that our proposal to stretch the amount of unplanned departures we prevent is credible as we are saying we will prevent 8 people from each category over a three year period.

## **Savings and Performance Reward Grant Analysis**

The savings analysis has been put together using established and recognised national unit costs where available (see references) and actual averaged costs related to care and SP placements from within Lambeth (also referenced). These unit costs are as follows:

- ⇒ Cost per person per annum of staying on delayed discharge ward is £66,065<sup>4</sup>
- ⇒ Cost per person per annum of staying in registered care is £23,036<sup>5</sup>
- ⇒ Cost per person per annum of an SP funded supported housing placement for people with mental health problems is £18,646 (including housing costs estimated at £4,680<sup>6</sup> pa, SP package costs of £11,637<sup>7</sup> pa and care management costs at £2,329<sup>8</sup> pa).
- ⇒ Cost per annum of a person with mental health problems living in the community with SP funded floating support is £10,429 (including housing costs estimated at £3,176<sup>9</sup> pa, SP package costs of £4,924<sup>10</sup> pa and care management costs at £2,329<sup>11</sup> pa).
- ⇒ Cost per person per annum of an SP funded supported housing placement for single homeless people is £13,547 (including housing costs estimated at £4,680<sup>12</sup> pa and SP package costs of £8,867<sup>13</sup> pa)
- ⇒ Cost per annum of a formerly homeless client living in the community with SP funded floating support is £7,948 (including housing costs estimated at £3,176<sup>14</sup> pa and SP package costs of £4,772<sup>15</sup> pa)
- ⇒ Cost of an acute hospital admission (assumed 55 day average length of stay<sup>16</sup>) is £9,955<sup>17</sup> per admission
- ⇒ Cost of a return to sleeping rough is estimated at £6,577 per six month episode (including outreach/service costs of £5,824<sup>18</sup> and other costs associated with sleeping rough including the increased likelihood of a hospital admission (£234<sup>19</sup> pa), increased use of A&E and outpatients (£179<sup>20</sup> pa) and increased likelihood of suffering assault (£340<sup>21</sup> pa).
- ⇒ Cost of a spell in prison (assumed three months average stay) is £9,375<sup>22</sup> per stay

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<sup>4</sup> Netten & Curtis – Unit Costs of Health and Social Care, 2006, page 65

<sup>5</sup> Netten & Curtis – Unit Costs of Health and Social Care, 2006, page 59; LB Lambeth average cost is actually 33% higher.

<sup>6</sup> LB Lambeth Housing Benefit department average housing costs (including housing services charges), 2006

<sup>7</sup> LB Lambeth SPLS data, 2006

<sup>8</sup> LB Lambeth Social Services estimate based on PO4 officer carrying average caseload of 1 to 17 with 10% on-costs, 2006

<sup>9</sup> Average cost of a one bed flat in London according to the Housing Corporation - Guide to Local Rents, 2005

<http://www.rsrsurvey.co.uk/index.cfm?task=statistics&year=2005>

<sup>10</sup> LB Lambeth SPLS data, 2006

<sup>11</sup> LB Lambeth Social Services estimate based on average caseload of 1 to 17, 2006

<sup>12</sup> LB Lambeth Housing Benefit department average housing costs (including housing services charges), 2006

<sup>13</sup> LB Lambeth SPLS data, 2006

<sup>14</sup> Average cost of a one bed flat in London according to the Housing Corporation - Guide to Local Rents, 2005

<http://www.rsrsurvey.co.uk/index.cfm?task=statistics&year=2005>

<sup>15</sup> LB Lambeth SPLS data, 2006

<sup>16</sup> Average length of stay comes from ONS – Social Trends 34 <http://www.statistics.gov.uk/STATBASE/ssdataset.asp?vlnk=7398> Daily unit cost comes from Netten and Curtis (see above)

<sup>17</sup> Netten & Curtis – Unit Costs of Health and Social Care, 2003

<sup>18</sup> New Policy Institute/Crisis – How Many, How Much?, 2003

<sup>19</sup> ODPM - Benefits Realisation of the SP Programme (WP2), 2005

<sup>20</sup> ODPM - Benefits Realisation of the SP Programme (WP2), 2005

<sup>21</sup> ODPM - Benefits Realisation of the SP Programme (WP2), 2005

<sup>22</sup> Social Exclusion Unit - Reducing Re-offending, 2002

| <b>Extra Performance</b>  | <b>Savings Expressed as Unit Costs<br/>[per person per annum]</b>  | <b>Units</b> | <b>Total Savings</b> |
|---|--|--------------|----------------------|
| People with MH problems enabled to move on in a planned way <b>from</b> supported accommodation <b>to</b> independent accommodation in the community (with floating support)            | Supported Accommodation = £18,966 -<br>Independent Accommodation = £10,429<br><br><u>Net Unit Cost (saving) = £8,537</u> | 30           | £256,110             |
| Single homeless people enabled to move on in a planned way <b>from</b> supported accommodation <b>to</b> independent accommodation in the community (without floating support attached) | Supported Accommodation = £13,867 -<br>Independent Accommodation = £7,948<br><br><u>Net Unit Cost (saving) = £5,919</u>  | 30           | £177,570             |
| People with MH problems able to move <b>into</b> supported housing vacancies <b>from</b> delayed discharge psychiatric wards  | Delayed discharge ward = £66,065 -<br>Supported Accommodation = £18,646<br><br><u>Net Unit Cost saving = £47,419</u>     | 15           | £711,285             |
| People with MH problems able to move <b>into</b> supported housing vacancies <b>from</b> residential care   | Registered Care = £23,036 -<br>Supported Accommodation = £18,646<br><br><u>Net Unit Cost saving = £4,390</u>             | 15           | £65,850              |
| Rough sleepers enabled to move into supported housing vacancies from the streets  | Living on the Streets = £6,577<br>Supported Accommodation = £13,867<br><br><u>Net Unit Cost saving = -£7,290</u>         | 30           | -£218,700            |
| Service users in rough sleeper services being prevented from abandoning/being evicted and avoiding a return to the streets  | <u>Net Unit Cost (saving) = £4,425</u>   | 8            | £35,400              |
| Service users in rough sleeper services being prevented from abandoning/being evicted going into hospital for an acute admission  | <u>Net Unit Cost (saving) = £9,955</u>   | 8            | £79,640              |
| Service Users in rough sleeper services being prevented from abandoning/being evicted and going into custody  | <u>Net Unit Cost (saving) = £9,375</u>   | 8            | £75,000              |
| <b>TOTAL</b>  |  |              | <b>£1,182,155</b>    |

### **Summary**

| <b>Total savings estimated as a result of the stretch in performance</b> | <b>No. of Beneficiaries</b> | <b>Unit Cost per Beneficiary</b> |
|--|-----------------------------|----------------------------------|
| £1,182,155   | 144                         | £8,209.41                        |