

Supporting People funding

The national picture

Supporting People funding has historically been ringfenced when allocated to local authorities by central Government. This was to ensure that the funding was spent on vulnerable adults, such as those with mental health problems and homeless people, who had often not had adequate access to services.

The decision to remove the ringfence was taken by the last Government, however, the significant cuts made to local authority spending by the Coalition Government have placed this vital funding stream under threat. While in the spending review the Chancellor made a cut of 12% to Supporting People funding over 4 years, on the ground local authorities are applying the cut which all local government finances saw of 28%.

There is a strong case for maintaining funding into projects who have received Supporting People funding which is set out below. Funding ensures that people who would otherwise be in hospital, prison or on our streets are supported to live happier and more productive lives.

The numbers: why invest in homelessness?

1. It is a cost effective intervention

Supporting People funding provides housing-related support to vulnerable people. It has been calculated that Supporting People funding has a net financial benefit of £3.4bn per annum.¹ This requires a total investment of £1.6bn.

Research has shown that one person being made homeless will cost the state around £25,000 per annum.² Given that the people St Mungo's works with are vulnerable on multiple fronts, particularly those who have slept rough, it is likely they are in fact costing the state more than the 'average' homeless person.

2. It contributes to strategic goals

Stable housing is linked to a range of other indicators which are important to local and national Government. These include but are not limited to:

- Wellbeing
- Public health
- Employment
- Mental health
- Substance use
- Crime

Disinvestment in homeless services will result in greater need for investment in these other areas and will work against achieving strong outcomes across Government.

3. There is likely to be a rise in need over the next four years

There are many changes taking place at central Government level that will have an impact locally, as will the national and global economic picture. This environment will place a pressure on homeless services and vulnerable people: One example are the changes to housing benefit, which have been widely criticised by housing and homeless organisations and professionals, as well as the Government's own advisory group the Social Security, Advisory Committee whose report concluded:

*"...the cost-saving measures being implemented across Government will have both disparate and unpredictable local effects and knock-on impacts on spending in related areas."*³

The Government hopes that the impact of changes will be short lived but we know that if services are not there to catch people then a period of homelessness can have devastating long term consequences from which they can take years to recover.

4. Needs of homeless people

Homeless people have a wide range of needs which contributes to the cost they pose on society and the speed with which individuals are able to recover. Among St Mungo's clients:

- Only 8% do not have a drug, alcohol or mental health problem. Many have a combination of all three
- 64% have a physical health condition
- Between 30% and 40% lack functional skills meaning they struggle to read and write
- 96% are unemployed
- 48% have a criminal record

The services: why invest in St Mungo's?

1. We provide quality of services which transform people's lives

St Mungo's has been an innovative service for over 40 years. We pride ourselves in not simply providing a roof over people's heads but working holistically supporting all of a person's needs and aspirations to ensure they make the quickest recovery from homelessness they can. We have pioneered the Recovery Approach in our projects and focused on achieving both hard and soft outcomes as measured by our Outcomes Star.

When we ask our clients what helped turn their lives around they tell us that it is often things which are difficult to quantify: being reconnected with their children, rediscovering a love of music or having someone to listen to them. Regular, professional, supportive human contact is what enables people to find the thing which will turn their life around. This is something which takes time and money and skill.

2. We contribute to excellent local outcomes

The case studies below highlight how investing in good support services for homeless people can transform a local authority's bottom line as well as providing the best outcome for the individual. This is only one example from hundreds we could have chosen:

Mark's story (all names have been changed)

Year 1 at St Mungo's

When Mark moved into St Mungo's from a long stay psychiatric hospital, where he had been diagnosed with Persistent Delusional Disorder, he believed he was working in some type of role with a football team. He spent his time, initially writing letters to the Football Association in support of the England team. He didn't think he had any mental health issues except for, maybe, occasional depression.

Mark was settling into the hostel, but was staying in his room for the most part watching television. He could occasionally be heard singing Elvis or country and western songs. Mark was reluctant to apply for Disability Living Allowance and was struggling with old debts which caused him anxiety and meant he found it difficult to plan for the future.

Mark suffered from diabetes and a range of other physical health conditions. Early in his stay he went into hospital for high sugar levels and spent 10 days there.

Although Mark had not wanted to do any exercise, with support from staff, he started to go on short walks in the park and partaking in tap dancing and Tai Chi. He typically needed accompaniment, but once at the activity, he really enjoyed it and became very social.

During his first year at the hostel, Mark would need prompting to clean his room, to shower, wash up, pay his rent and to attend appointments. Midway through his stay, Mark developed a lack of motivation to do anything. He was spending more of his time in his room either sleeping or watching television. His personal hygiene also became an issue.

Year 2 with St Mungo's

Mark started monitoring his blood sugar daily himself and not having to go to the District Nurse to have it read. He also started managing his medication and self injecting insulin. Mark successfully applied for Disability Living Allowance which enabled him to start cooking his own meals and with staff help learnt to budget, plan healthy meals, shop for healthy ingredients and come up with a week's meal plan.

He increased his activities to include the odd exercise bike session. Mark decided he wanted to take a trip to Blackpool with an old friend. It was arranged with the agreement of his CPN and staff supported him to book travel and accommodation. The 3-day trip was a success and Mark was excited about his new found freedom.

Mark started to attend more groups including the Choir With No Name. Given Mark's proclivity toward singing, it was a natural progression to his gaining more confidence and doing activities that part of the local community. At first Mark would need staff support to attend his activities, but as his confidence grew, he needed less and less staff support.

Mark successfully secured his own flat after two years with St Mungo's. Mark had just turned 60, so he was now entitled to a pension which helped him in paying down his debts. Mark was discharged from his Section and continues to make progress living on his own.

Total cost before intervention: £84,032

Total cost after intervention: £21,716

Cost of intervention: £84,220

Challenges faced	Costs over a year⁴	Recovery outcomes year 1	Cost⁵
Psychiatric accommodation	£76,800 cost to DH and LA	Stable accommodation and support costs	£27,198 (based on St Mungo's project cost) cost to LA
Other physical health problems	£2,196 (based on hour of primary care contact a month) cost to DH	Managing his mental health condition in the community	£7,436 (based on weekly social work contact) cost to LA
Unemployed	£5,036 (based on ESA support group) cost to DWP	Unemployed	£5,036 (based on ESA support group) cost to DWP
		Managing his diabetes in the community	£2,817 (based on regular primary care contact) cost to DH
		Uncontrolled diabetes	£2,190 (based on 10 day hospital stay) cost to DH
		Supervised discharge	£1,111 (based on monthly regular social work contact) cost to LA
Total cost pre intervention	£84,032	Total cost of intervention	£45,788

Recovery outcomes year 2	Cost ⁶	Recovery outcomes year 3	Cost ⁷
Stable accommodation and support costs	£27,198 (based on St Mungo's project cost) cost to LA	Own accommodation	£10,400 (housing benefit) cost to LA
Unemployed	£5,036 (based on ESA support group) cost to DWP	State pension	£5,200 (based on basic pension, additional pension credit was also awarded) cost to DWP
Disability Living Allowance	£2,485 (based on middle group) cost to DWP	Disability Living Allowance	£2,485 (based on middle group) cost to DWP
Self management of his mental health condition	£1,716 (based on monthly social work contact) cost to LA	Self management of his mental health condition	£1,716 (based on monthly social work contact) cost to LA
Self management of diabetes	£576 (based on monthly district nurse contact) cost to DH	Self management of diabetes	£576 (based on monthly district nurse contact) cost to DH
Resettlement support	£310 (based on 12 hours support from St Mungo's worker) cost to LA	Floating support	£1,342 (based on 1 hour a week from St Mungo's worker) cost to LA
Supervised discharge	£1,111 (based on monthly regular social work contact) cost to LA		
Total cost of intervention	£38,432	Total cost of intervention	£21,716

Chris's story (all names have been changed)

Chris was referred to St Mungo's aged 32. He had been street homeless for several months in London until he was assessed under the Mental Health Act and taken into hospital. He was diagnosed at this time as having schizophrenia. He was a Bosnian refugee who had been granted Indefinite Leave to Remain in the UK.

Chris spoke little English and this was one of the first things we focussed on improving. However, he continued to struggle in other areas of his life, not engaging in activities and remaining withdrawn. He required repeated prompting for simple tasks like making his bed, taking medication, eating meals and showering. There were fears that he would require a long term placement within high support accommodation.

However, through the recovery focussed support and interventions Chris gradually began to think about the future; where he wanted to live, the work he would like to do and the possibility of going home. At this time he had not had any contact with his family for over four years and the staff had concerns about his ability to manage a return to Bosnia .

Eventually Chris was supported by staff to contact his family in Bosnia. Weekly contact was maintained by his family and we began the long process of arranging for the correct travel documents and liaising with doctors in Bosnia to ensure the support and medication he needed was available. We organised funding for flights for Chris and a member of staff to accompany him.

Chris is now happily back in Bosnia being supported by his family; something inconceivable without the careful support of St Mungo's staff.

Estimated cost of Chris to the state without recovery: £71,744

Cost of successful intervention:

- In year 1: £42,579
- In year 2: £0.00

Challenges faced	Costs to Government in a year	Recovery outcomes	Cost
Detained under mental health act	£45,000 (based on a 3 month stay in secure accommodation) cost to DH ⁸	Stable accommodation and support to think about the future and reconnect with his family	£36,703 (based on 12 months of St Mungo's high support accommodation) cost to LA
Medication and community support costs	£3,357 (based on 8 months of community support) Cost to DH ⁹	Access to English lessons	£283 (based on 12 hours of support from St Mungo's Life Skills Worker) cost covered by St Mungo's fundraising
Unemployed	£5,036 (based on claiming support group ESA) cost to DWP	Managing his condition in the community	£5,038 (based on 12 months of community support) cost to DH ¹⁰
Rough sleeping (1 month)	0 direct cost to Government but probable related costs e.g. police	Repatriation to home country	£600 (flights for two people) cost covered by St Mungo's fundraising
Need for high support accommodation	£18,351 (based on 6 months) cost to LA ¹¹		
Total cost pre intervention	£71,744	Total cost of intervention	£42,579

¹ Research into the financial benefits of the Supporting People programme, CapGemini on behalf of DCLG 2009, <http://www.communities.gov.uk/publications/housing/financialbenefitsresearch>, accessed July 20th 2010. In fact the total benefit may be significantly higher than this as this research accounts for costs saved (e.g. avoiding being convicted for reoffending) but not the benefits gained (e.g. person stops claiming benefits, starts paying tax and stimulating the economy through spending their wages).

² Costs of Homelessness, <http://www.homeless.org.uk/node/2395>, accessed July 22nd 2010

³ Social Security Advisory Committee, The Housing Benefit (Amendment) Regulations 2010, <http://www.official-documents.gov.uk/document/other/9780108509551/9780108509551.pdf>

⁴ All health and social care costs not provided by St Mungo's calculated from Curtis, L. (2008) Unit Costs of Health and Social Care. Personal Social Services Research Unit. University of Kent, Canterbury <http://www.pssru.ac.uk/pdf/uc/uc2009/uc2009.pdf>

⁵ All health and social care costs not provided by St Mungo's calculated from Curtis, L. (2008) Unit Costs of Health and Social Care. Personal Social Services Research Unit. University of Kent, Canterbury <http://www.pssru.ac.uk/pdf/uc/uc2009/uc2009.pdf>

⁶ All health and social care costs not provided by St Mungo's calculated from Curtis, L. (2008) Unit Costs of Health and Social Care. Personal Social Services Research Unit. University of Kent, Canterbury <http://www.pssru.ac.uk/pdf/uc/uc2009/uc2009.pdf>

⁷ All health and social care costs not provided by St Mungo's calculated from Curtis, L. (2008) Unit Costs of Health and Social Care. Personal Social Services Research Unit. University of Kent, Canterbury <http://www.pssru.ac.uk/pdf/uc/uc2009/uc2009.pdf>

⁸ Based on figures from Centre for Mental Health http://www.centreformentalhealth.org.uk/news/election_briefing.aspx

⁹ Based on The EPSILON Study - a study of care for people with schizophrenia in five European centres, 2002, <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1489814/>

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¹¹ Based on St Mungo's cost for high support accommodation