

Supporting People Financial Benefits Model

Yorkshire and Humberside RIG

21st May 2009



The objectives of this session are to:

- Explain the Supporting People National Benefits Model and ongoing work to update and change it
- Explain how we have converted it to a Local Benefits Model
- Explain how we see that Local Benefits Model being used
- Explain how the model was piloted
- Obtain any feedback, comment and suggestions you have

Are there any other expectations I need to meet in this session?

- Introduction to / re-cap of the Supporting People National Benefits Model
<10 mins>
- Detail of the updates we're making to the Supporting People benefits model
<5 mins>
- Approach to the local model
 - Context <5 mins>
 - How we have approached it <5 mins>
 - Demonstration of the model <10 mins>
 - Model Piloting <5 mins>
- Feedback, comments & suggestions <10 mins>

The 2006 Supporting People Financial Benefits Project - recap

The model's purpose and its logical structure

The national model, for each of a set of client groups, compares the cost of:

- existing arrangements (involving Supporting People)
- an alternative provision scenario (“counterfactual”)

The alternative provision scenario for each client group was built on the assumption that, in a world without SP, current clients would get a mix of:

- existing arrangements, with the SP-funded element removed
- alternative residential care arrangements (e.g. nursing care, psychiatric care, rehab etc.)

It includes the use of two kinds of costing

Costs of **existing arrangements** and the **alternative scenario** include

‘Package costs’: These are the costs associated with providing support (e.g. SP services, Housing costs, Living costs, Social services costs, Benefits administration)

‘Event costs’: These are the costs associated with events that happen to clients (either positive, planned interventions or adverse events e.g. Health interventions, Costs associated with committing or become a victim of crime, Costs associated with becoming homeless (rough sleeping, tenancy failure etc.)).

National Model Example: People with Learning Disabilities (1)

For the 32,339 SP supported households containing people with learning disabilities, the two scenarios were:

The existing arrangement:

100% (32,339): existing arrangement

Package cost (per household unit):	£35,141	
Event cost (per household unit):	£1,708	
Total cost (per household unit):	£36,849	x 32,339 = £1.19bn

An alternative arrangement:

65% (21,020): residential care	35% (11,319): existing without SP
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Package cost (per household unit):	£72,602		£22,600	
Event cost (per household unit):	£1,708		£3,364	
Total cost (per household unit):	£74,310		£25,964	
	x 21,020 = £1.56bn	+	x 11,319 = £294m	=£1.86bn

National Model Example: People with Learning Disabilities (2)

The net financial benefit is £664m:
£1.86bn - £1.19bn = £664m.

100% (32,339): existing arrangement

Package cost (per household unit):	£35,141	
Event cost (per household unit):	£1,708	
Total cost (per household unit):	£36,849	x 32,339 = £1.19bn

An alternative arrangement:

65% (21,020): residential care **35% (11,319): existing without SP**

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National Model Example: People with Learning Disabilities (3)

Event costs: the point to note is that event costs are much higher for people who don't receive SP support or residential care. Some key events drive this situation...

Event type	Cost per annum (with SP or residential care)	Cost per annum (without SP or residential care)	Additional cost (without SP or residential care)
Being admitted to hospital due to general health issue	£985	£2,074	£1,089
Visiting an A&E department	£330	£348	£17
Being admitted to an acute mental health ward	£24	£50	£26
Visiting a GP due to general health issue	£135	£142	£7
Visiting a community health service (not mental)	£104	£110	£5
Being visited by a community mental health nurse	£9	£9	£0
Being a victim of burglary	£54	£56	£2
Being a victim of street crime (violent crime or mugging)	£67	£70	£3
Becoming a victim of homelessness	£0	£239	£239
Receiving home care provision	£0	£267	£267
Total	£1,708	£3,364	£1,656

Similar work was done for other client groups, producing a level of total benefit

Client group	Cost of Supporting People (£m)	Net financial benefit (£m)
Women at risk of domestic violence	(59.5)	85.7
People with drug problems	(24.3)	96.3
Homeless families in settled accommodation	(28.7)	1.2
Homeless families in temporary accommodation	(25.0)	50.2
Homeless single people in settled accommodation	(147.8)	9.1
Homeless single people in temporary accommodation	(127.2)	77.2
People with learning disabilities	(405.6)	664.2
People with mental health problems	(252.5)	487.0
Offenders & those at risk of offending	(46.7)	24.9
Older people - sheltered accommodation and other	(258.7)	1,090.9
Older people - very sheltered	(31.4)	138.7
Older people - floating support	(37.8)	25.9
Young people at risk in settled accommodation	(72.6)	5.6
Young people at risk in temporary accommodation	(29.1)	10.4
Total	(1,546.8)	2,767.3

Remember that the client groups are of different sizes

Changes we have made or will make to the National Model (core data)

The following have been within the scope of the national model work

- Every data source that is cross-referenced in the model has been checked, and updated if the source has been updated
- The cost indexation (which uses the RPI) has been adjusted to bring all costs forward to 2009 levels

These are essential tasks, involving replacing all numbers from documentary sources with new ones that reflect the latest documentation

Treatment of new client groups (not included in modelling in 2006)

- We have discussed priorities with the CLG team and have included these client groups:

People with alcohol problems (Annual spend: £20m*)
Teenage parents (Annual spend: £26m)
Young people leaving care (Annual spend: £14m)
People with physical or sensory disabilities (Annual spend: £33m)

Mentally disordered offenders (annual spend £3m) will be combined with the offenders group, and the data revisited where information allows.

- The following are considered to be lower modelling priorities:

Rough sleepers (Annual spend: £15m)
HIV/AIDS (Annual spend: £3m)
Refugees (Annual spend: £15m)
Generic (Annual spend: £67m) – [not modellable]

Principles for modelling new client groups (1)

For each new client group we identified:

- Relevant events
- SP package costs – i.e. costs associated with the services, including housing costs & living costs
- Event costs
- Likelihood of events for the SP served population by comparison to the general population
- Reductions in event incidences through the provision of Supporting People services

- We have worked these costs up as follows

We have identified these by considering events we've used for other client groups

- Relevant events
- SP package costs – i.e. costs associated with the services, including housing costs & living costs
- Event costs
- Likelihood of events for the SP served population by comparison to the general population
- Reductions in event incidents & costs through the provision of Supporting People services

Seeked estimates from CLG, via interviewing a relevant stakeholder for each client group. That stakeholder also validated that we were making the right assumptions.

Used documentary sources, seeking advice from CLG or SP leads where the figures are not clear

Context of the local model

The context of the local model is as follows



Our approach to a model for local authorities

It makes sense to start this conversation by recalling what the local modelling is for

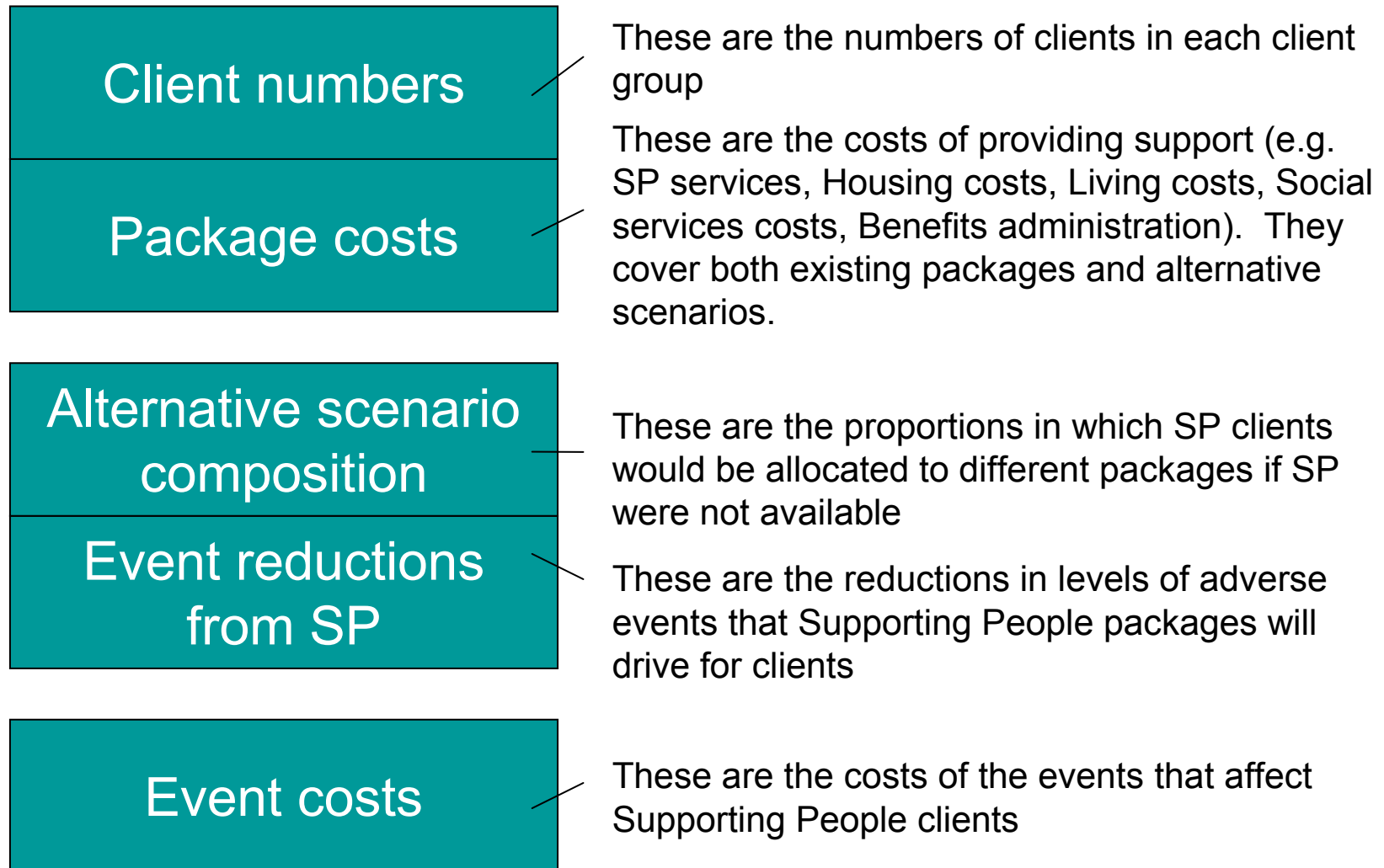
Local modelling has two main purposes:

- To act as an internal decision making tool to allow Authorities to see what they are gaining from using Supporting People services
- To allow Authorities to demonstrate the benefits of Supporting People to other stakeholders

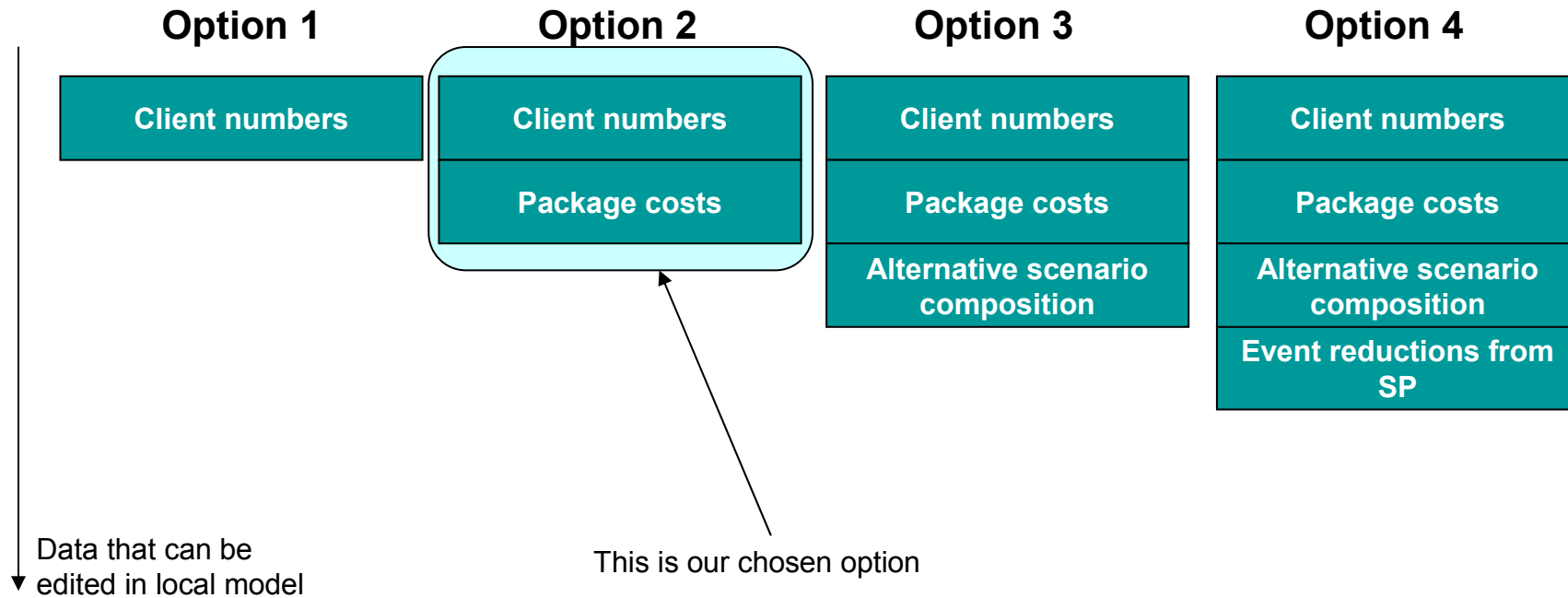
To some extent there has to be an assumption that benefits locally are similar to benefits for the national picture

The exact level of benefits that Authorities gain from Supporting People services will depend on their efficiency & their quality of delivery. It is not in the scope of the modelling to support judgements about that.

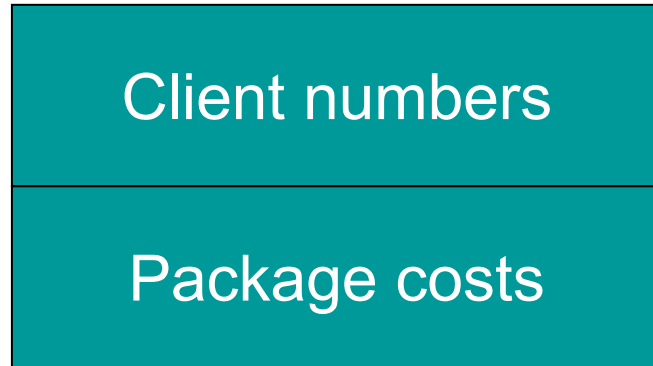
The national model is driven by a number of kinds of data



A local model could in principle have been built any of 4 ways, each allowing a different level of local customisation

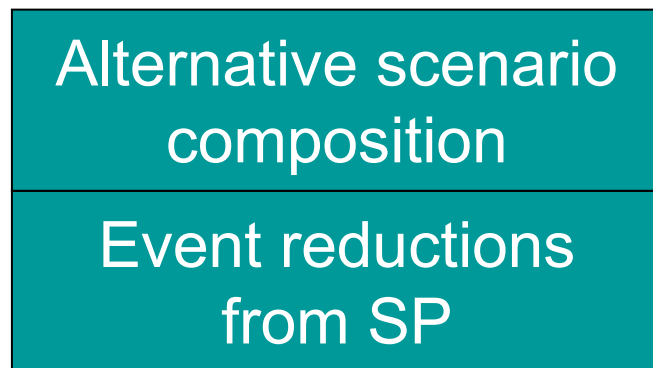


With regard to local modelling, these kinds of costs split into three categories



These are figures that will vary from local authority to local authority.

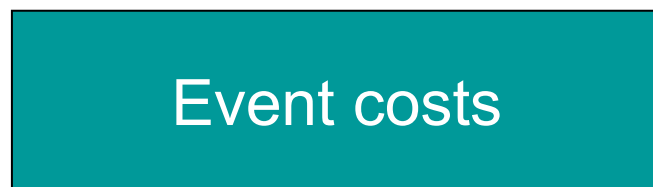
So they are suitable for allowing local SP teams to edit them to create their own view of costs and benefits.



These figures might vary from local authority to local authority.

But if we allow local SP teams to edit them in the model then we will be asking them to make judgements about the quality/value of their services that they can't make in a data driven way.

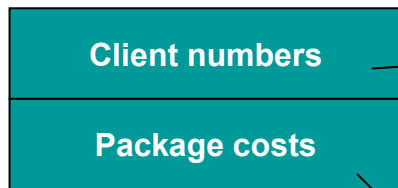
So we should not allow local SP teams to edit them



True event costs might vary from local authority to local authority. But there is a very fine level of detail in the calculations, and they are primarily based on national statistics.

So we should not allow local SP teams to edit them (at least not in general!)

We have therefore agreed that local users should be allowed to edit client numbers and costs of packages



Baseline units
Counterfactual units **5,875**

Domestic Violence

Package Description

Serv. w/o SP	Serv. with SP	Bed & Breakfast accommodation	-	-
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Residential Package									
Housing Costs	£ 7,800	2006	£ 7,800	2006			2000		2000
Benefits & Related Services	£ 7,280	2006	£ 7,280	2006	£ 7,280	2006	2000		2000
SP Package		2004	£ 9,633	2004		2004	2000		2000
Social services care	£ 399	2004	£ 399	2004	£ 399	2004	2000		2000
Benefits & Related Services	£ 809	2004	£ 809	2004	£ 809	2004	2000		2000
	-	2006		2006		2006	2000		2000
	-	2006		2006		2006	2000		2000

	2003		2003	£ 12,688	2003		2000		2000
	2006		2006		2006		2000		2000
	2006		2006	£ 7,280	2006		2000		2000
	2004		2004	£ 9,633	2004		2000		2000
	2004		2004	£ 399	2004		2000		2000
	2004		2004	£ 809	2004		2000		2000
	2006		2006		2006		2000		2000
	2006		2006		2006		2000		2000

Total after indexation

£ 18,185	£ 29,545	£ 24,924	£ -	£ -
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I will now demonstrate the pilot version of the local model

Model piloting

Purpose of the Model Piloting

The purpose of the piloting was:

1. To check that the documentation could be followed and the model could be used, and its output understood. To become aware of any obstacles to this so we could fix them!
2. To pick up on any comments the pilots had about the functionality.
 - As the functionality was broadly in line with earlier discussions we thought there would be a limit to the extent to which we could use this feedback, but we still said it would be useful to know what people were thinking.

The piloting exercise was to check understanding of the model and its documentation – not to validate the national data contained within the model

- Leicester, Middlesbrough and Hampshire were chosen as our pilots
- The pilots were sent the model and its documentation
- They were then given 2 days to read through the documentation and use it to populate the model and interpret its outputs
- They filled out a short questionnaire and also gave some verbal feedback when they were called during the piloting
- This feedback was collated and sent back to them, to check we had understood their messages and that they were happy with the action we had taken to mitigate their concerns

I will now share some of this feedback with you and say what we have done or are planning to do since the piloting to improve the model and its documentation

- Apart from a few minor adjustments, the documentation was clearly understood, with a logical structure and “clear sense of purpose”.
- Although the model is quite large, the navigation aids that have been added, such as the ‘Model Control’ sheet and buttons on sheets that allow you to return to this sheet, were seen as helpful and “very easy to navigate”.
- None of the pilots became “stuck” with working the model themselves

General feedback on the model was positive; each of the pilots offered suggestions for improvement, but all were fairly minor and have already been implemented in the model and documentation

Usability Concerns	Actions
Make it clearer from the Model Control that Base Services is the sheet that data is entered in	Adjusting Model Control sheet to highlight which sheets are editable
The Base Services sheet is large and difficult to navigate	Button being added to easily switch from left to right of sheet, to make it easier to navigate
The formatting on the Summary sheet makes it difficult to see if a figure is a negative number	Format of numbers has been changed to show negative numbers in red

Pre-populated Data Concerns	Actions
The national data that prepopulates the Base Services sheet was confusing	Note being added to documentation to explain where the numbers that appear in the local model have come from and what they represent
The local SPLS data provided in the model is confusing if you're not the Finance lead	Note being added to documentation to explain source of local SPLS data provided

Errors & oversights Concerns	Actions
Some of the graphs are incorrectly linked back to the data	Error has been corrected in the model

Feedback on the Documentation

Usability Concerns	Actions
The term “counterfactual” is not in common usage and the definition in the glossary does not give a full explanation	A note is being added to the description of this term in the glossary, to further explain its meaning in the context of the model
The terms in the glossary are not in any logical order	The glossary is being changed to alphabetical order
Make it clear in the documentation that the output depends on the accuracy of the local data that has been entered	Note being added to this effect in the documentation

Errors & oversights Concerns	Actions
The explanation of how indexation is applied in the model wasn’t as clear as it could be	Indexation section being amended to make it clearer how exactly it is calculated in the model
Not all client groups are modelled, but there is no mention of why they are missing in the documentation	Note being added to documentation to explain why some client groups have not been modelled
Description of Young People at Risk being under 21 is incorrect	Description changed in Glossary
Some references in the documentation to cells in the model are incorrect	Error has been corrected in the documentation

Feedback, comments & suggestions