

Appendix 1.

1. Cost Benefit Analysis exercise Supporting People Harrow

Headline

The annual investment of **3.2 million** into Supporting People services results in an estimated net financial benefit of **6.2 million** to the borough and exchequer.

Background

Cap Gemini undertook work on behalf of the CLG to report on the financial benefits of the SP programme and the cost of withdrawing SP funding.

This work published in January 2008 identified that overall the cost of investing £1 of SP funding delivered £2 of savings from other services (i.e.net financial benefit to the exchequer or individual).

Harrow have used the methodology deployed here to undertake a cost benefit analysis of its own Supporting People Services so making the work locally relevant and to allow Harrow to examine the effect of service withdrawal on the wider health , social care and community safety economy.

2. Methodology

National

The principle of the exercise undertaken by Cap Gemini was to cost the amount of SP funding invested in services and account for the cost of the removal of these services on other services hence the net financial effect of the withdrawal of services.

The methodology was to consider for each of the following groups:

- i. Women escaping domestic violence
- ii People with drug problems
- iii. Homeless families in settled and TA
- iv. Homeless single people in settled and TA
- v. People with Learning disabilities
- vi. Offenders and those at risk of offending
- vii. Older People receiving floating support / very sheltered / sheltered accommodation
- viii. Young people at risk in TA / settled accommodation

Two assumptions were used to produce the research :

1. For some clients the most appropriate alternatives would be arrangements which they receive at the moment but without the support enabled by Supporting People.
2. For others the best alternatives would be arrangements requiring a different more intensive form of intervention.

The research then defined the following for each group :

1. Basic Package costs : total cost of packages including SP costs as well as accommodation costs etc.
2. Alternative provision costs : the likely alternatives e.g. residential care
3. Event costs : the impact costs of withdrawal of a service on e.g. the event costs for someone with a learning disability relate to the average costs of :
 - being admitted to hospital due to general health issue
 - visiting an A&E dept
 - Being admitted to an acute mental health ward
 - Visiting a GP due to general health issue
 - Visiting a community mental health nurse

Note: what the Cap Gemini methodology isn't able to do is quantify the cost benefits of the outcomes achieved by service users which deliver additional cost benefits e.g. entering employment , avoiding eviction etc.

There are also some services funded for client groups by SP that aren't included in the research due to a lack of available data , e.g. HIV , Generic F/S.

Therefore it is important to note that there are additional benefits that the programme offers that aren't quantified here.

Local

In order to make the work relevant to Harrow the Supporting People costs that are paid in contracts for the service categories listed above were applied to the wider financial model provided by Cap Gemini.

Given the complexity of the models to cost alternatives and events the national Cap Gemini figures were used to cost the model for Harrow. This means that costs are a national average, and so it is likely that the net benefits could be higher because the event costs of visiting an A&E dept or being a victim of burglary in Harrow are likely to be higher than the national average.

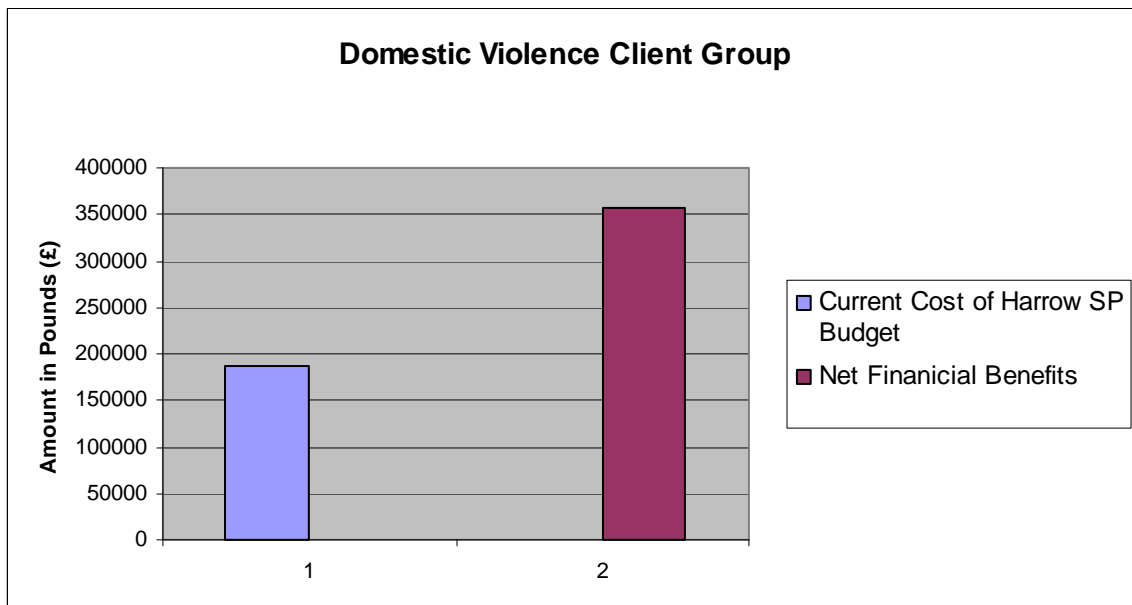
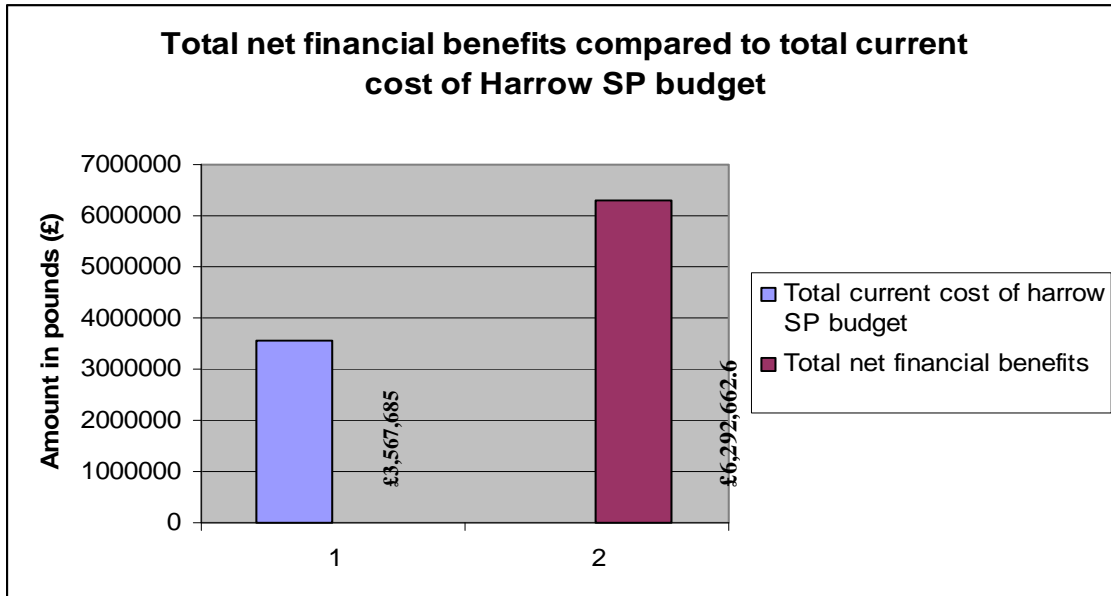
3. Output

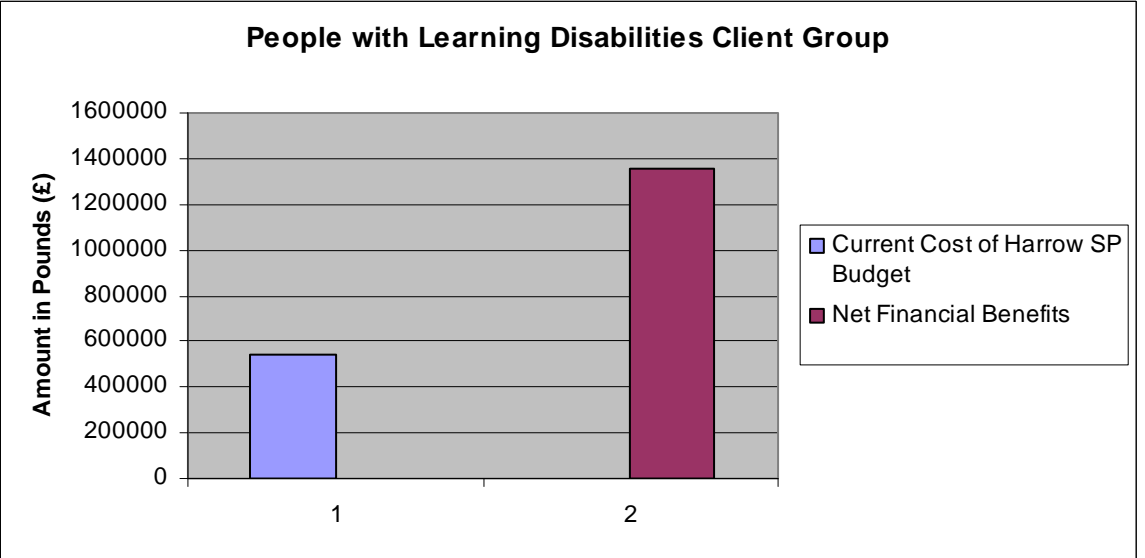
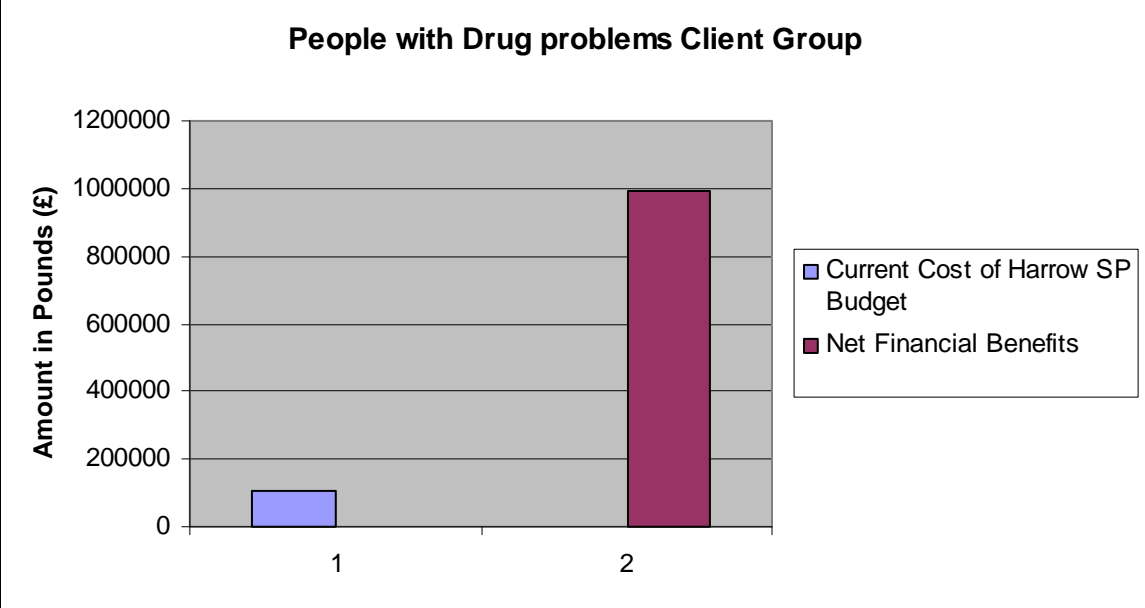
The output from the exercise is provided in Appendix 1 and details what the net financial benefits of Supporting People investment in all services is as well as by client group.

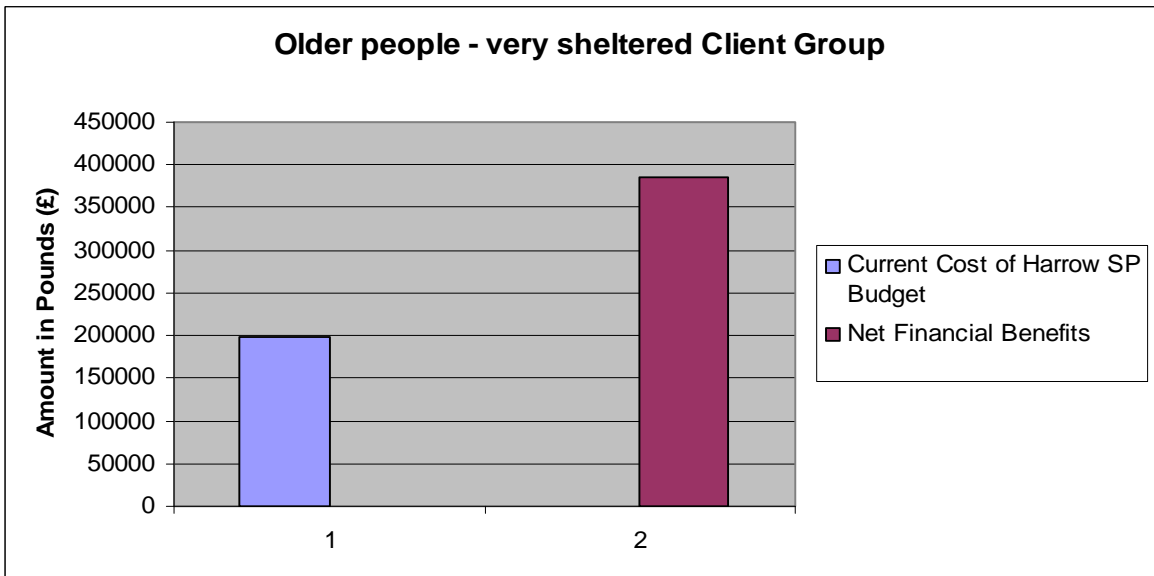
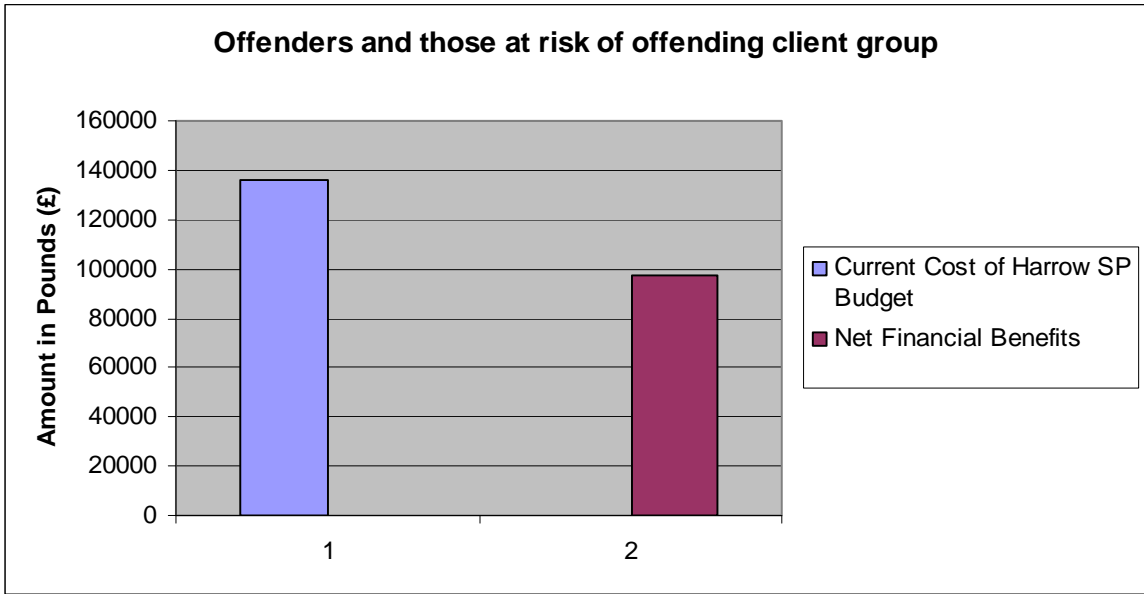
Further detail about the type of alternative provision available as well as the detailed definition and cost of the event costs that the figures were predicated on is available from the SP team.

Appendix 1

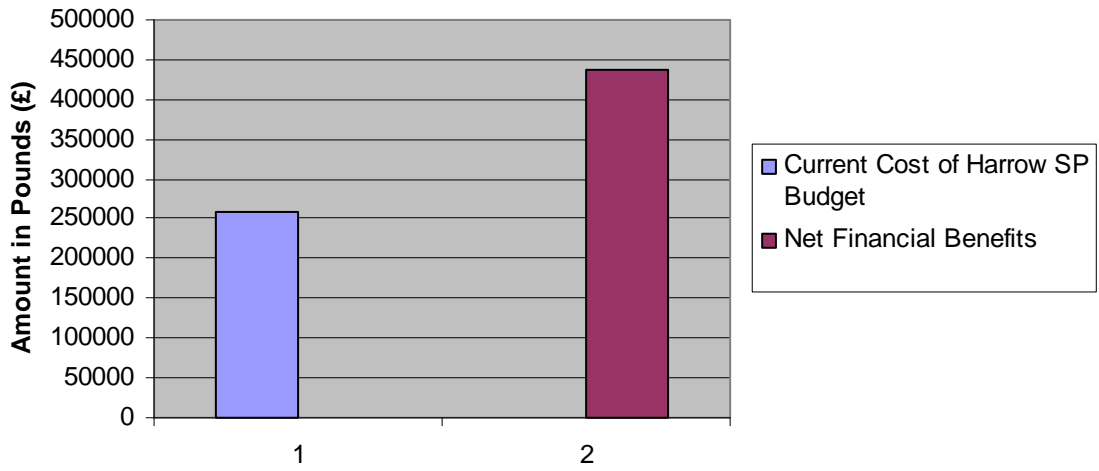
Graphs to show the Net Financial Benefits Amount compared to the Current Cost of Harrow SP Budget



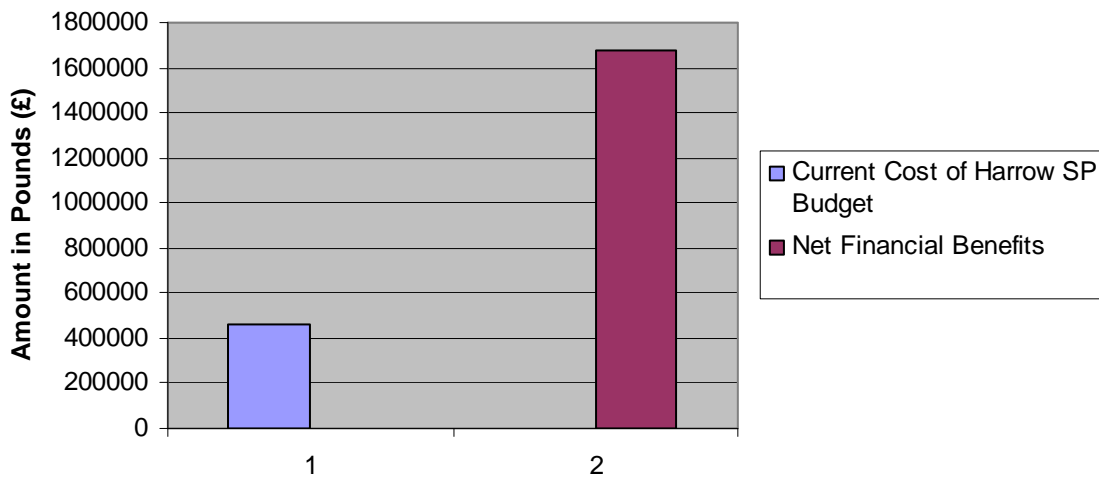


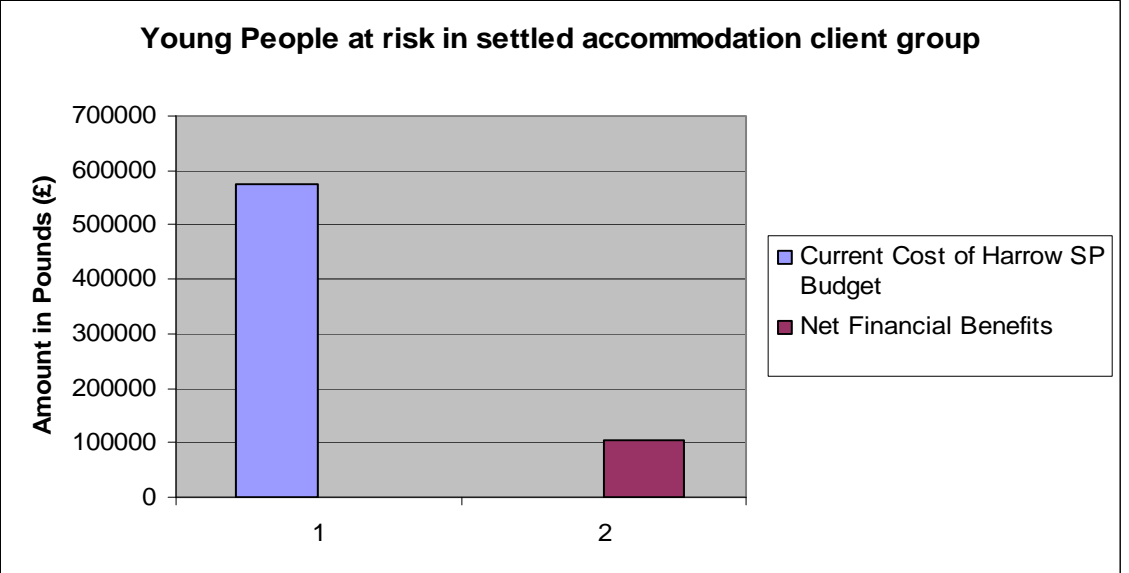


Homeless families in temporary accommodation Client Group



People with mental health problems Client Group





Older People - Floating Support Client Group

