

## **Analysis of the potential value for money to the public purse of the Lincolnshire Home Improvement Agency Housing Options Advice service**

### **1) Introduction**

This report analyses the potential savings to the public purse of the Lincolnshire Home Improvement Agency (LHIA) housing options advice service. The methodology builds on research conducted for the large scale evaluation of the national FirstStop service conducted by the University of Cambridge.

Based on the sample of 15 cases analysed, and minus the cost of funding the service, the analysis suggests an approximate average saving to the public purse of **£3989** per client.

### **2) Methodology**

Information about the number of clients dealt with by the service, the type of support provided and the total funding from all sources was provided to enable a calculation of the per client unit cost. The housing option service provided a sample of 15 client case notes for the analysis in addition to the monitoring data collected centrally. The case worker was asked to provide a sample that represented the typical range of cases the service deals with.

For each client case, the main likely eventual outcome of the case work intervention was identified. For example, the client may be assisted to move to alternative housing or to have adaptations fitted to enable them to stay put in their current home. Where possible, monetary values were ascribed to each outcome. Using the detailed case notes, a conservative assumption was made about what would have happened to the client without the help from the case worker. For example, the client may have been at risk of a hospital admission caused by living in unsuitable housing or at risk of homelessness. Where possible, monetary values were ascribed to each potential alternative outcome, had the casework assistance not been provided.

The difference between the cost of providing the actual outcomes for the clients and the cost to the public purse of the potential alternatives if they had received no help, represent a saving or cost to the public purse. The cost of the service is deducted to give an indication of the potential savings to the public purse of carrying out these types of housing options case work.

There remain many immeasurable outputs of the case work that were identified during the research that should be considered alongside the quantitative output in financial terms, as shown on Table 1 below. For example, the ability to maintain independence has been shown through qualitative interviews with FirstStop clients to be highly valued by individuals, but this cannot be ascribed a monetary value. Other very important benefits to clients which are not easy or possible to place a monetary value on are the enjoyment of an improved quality of life, better wellbeing and being less lonely and socially isolated.

### **3) The Lincolnshire Housing Options Advice service**

The service is a one-year pilot to deliver a county-wide Housing Options Advisor service. The service enables older people to make good decisions about their housing, care and finance. The service is delivered by a full-time advisor providing face-to-face advice, information or casework to a minimum of 160 older people over a twelve month period.

Lincolnshire Home Improvement Agency (LHIA) delivers the service in partnership with FirstStop, the independent advice and information service for older people led by the charity Elderly Accommodation Counsel (EAC). The service is funded by the Department for Communities and Local Government (DCLG), via EAC, and Lincolnshire County Council (LCC) to employ for 12 months a Housing Options Advisor, to cover the whole county. The focus of the service is providing clients with the information that they need for them to know and do more about their care and housing options, including housing options, care, finance and rights. The service provides particular advice on 'staying put' or 'moving on', and different housing choices available including supported housing, sheltered accommodation, care and residential homes and transfers, including cross-district transfers. The service complements the generic casework that LHIA already provides via its Housing Related Support contract with LCC and does not duplicate the home options/homelessness services provided by District Councils.

Through delivery of the service there is the potential for moves to more suitable accommodation for a specific number of service users and as a result of this work address potential reductions in benefits (for under-occupation), under-occupation generally, and support the county homelessness strategy, especially for families and homeless young people. The Housing Options Advisor provides a unique, specialist knowledge set of what services and accommodation is available across the county by liaising with social landlords, private landlords and Local Authorities on availability in each area, likely costs, pitfalls, etc.

FirstStop Advice is an independent, free service offering advice and information for older people, their families and carers about housing and care options in later life funded by DCLG. The Cambridge Centre for Housing and Planning Research at the University of Cambridge has been undertaking an independent evaluation of the FirstStop service since November 2009. Reports from the evaluation can be found at:

<http://www.cchpr.landecon.cam.ac.uk/projects/detail.asp?ProjectID=166>

#### **4) Unit costs of the service**

The total funding for the service is £35,400, of which £22,400 is from Lincolnshire County Council and £13,000 is from FirstStop. The service is on track to meet, and probably exceed, the target of 160 cases.

If the target is met, this gives a unit cost per client of **£221.25**

$$£35,400/160 = £221.25$$

## 5) Value for money – case studies exploring potential savings to the public purse

Based on the 15 case studies provided, the actual outcomes were identified for each client:

	<b>With intervention</b>						
1	Move to sheltered housing	Independence retained	Better health	Better quality of life	Less socially isolated		
2	Move to sheltered housing	Independence retained	Better health	Better quality of life	Less socially isolated		
3	Move to sheltered housing	Independence retained	Better health	Better quality of life	Less socially isolated	Safer at home	Free up larger property
4	Independence retained	Better quality of life	Less socially isolated	Safer at home			
5	Move to sheltered housing	Independence retained	Better health	Better quality of life	Less socially isolated		
6	Move to adapted social housing	Independence retained	Better health	Better quality of life			
7	Move within OO	Better health	Better quality of life				
8	Move to adapted PRS	Better health	Better quality of life	Less socially isolated			
9	Move within OO	Better health	Better quality of life	Less socially isolated	Free up larger property		
10	Move within OO	Free up larger property					
11	Move within sheltered housing	Independence retained	Better health	Better quality of life	Less socially isolated	Safer at home	
12	Move to sheltered housing	Independence retained	Better quality of life	Reduced debt			
13	Move within sheltered housing	Better quality of life					
14	Move to sheltered housing	Independence retained	Better health	Better quality of life	Less socially isolated	Free up larger property	
15	Move within sheltered housing	Better quality of life	Less socially isolated	Free up larger property			

**Table 1: Actual outcomes with intervention**

Based on the in depth case notes for the 15 sample cases, an informed assumption about the likely alternative outcomes was made for each client:

	<b>Without intervention</b>					
1	Hospital admission	Move to residential care	Worsened health	Worsened quality of life	Social isolation	Risk of falls
2	Hospital admission	Risk of falls	Worsened health	Worsened quality of life	Social isolation	
3	GP visit	Risk of falls	Worsened health	Worsened quality of life	Social isolation	Underoccupation
4	Risk of falls	Worsened quality of life	Social isolation			
5	GP visit	Worsened health	Worsened quality of life	Social isolation		
6	Hospital admission	Worsened health	Worsened quality of life	Loss of independence		
7	GP visit	Worsened health	Worsened quality of life			
8	Hospital admission	Worsened health	Worsened quality of life	Social isolation		
9	Worsened quality of life	Social isolation	Underoccupation			
10	Worsened quality of life	Social isolation	Underoccupation			
11	Risk of falls	Worsened health	Worsened quality of life	Social isolation		
12	Debt	Homelessness	Worsened health	Worsened quality of life		
13	GP visit	Worsened quality of life	Social isolation			
14	GP visit	Care at home	Worsened health	Worsened quality of life	Social isolation	Loss of independence
15	Worsened quality of life	Social isolation	Underoccupation			

**Table 2: Likely outcomes without intervention**

### Likely cost of actual outcomes with intervention

The actual outcomes for each client were then costed to estimate simply what cost they will have to the public purse over one year. Not all outcomes can be attached a monetary value. The cost to public purse of supporting the actual outcomes was estimated for the 15 sample cases at **£27,483**:

	With intervention	Cost to state pa £	Additional intervention	Cost to state pa £	Total cost to state pa £
1	Move to sheltered housing	4327	Declutter	155	4482
2	Move to sheltered housing	4327			4327
3	Move to sheltered housing	4327	Downsize	-346	3981
4	Measures to reduce falls	96			96
5	Move to sheltered housing	4327			4327
6	Move to adapted social housing	3000			3000
7	Move within OO	0			0
8	Move to adapted PRS	0			0
9	Move within OO	0	Downsize	-346	-346
10	Move within OO	0	Downsize	-346	-346
11	Move within sheltered housing	0			0
12	Move to sheltered housing	4327			4327
13	Move within sheltered housing	0			0
14	Move to sheltered housing	4327	Downsize	-346	3981
15	Move within sheltered housing		Downsize	-346	-346
					<b>£27,483</b>

**Table 3: Cost of actual outcomes with intervention**

### Likely cost of actual outcomes without intervention

The cost to the public purse of the identified alternative outcomes for each client if there had been no case work intervention were then approximately costed to estimate what they would have cost the public purse over one year. These are conservative estimates of likely alternative outcomes. The cost of the alternative outcomes without any intervention for the 15 sample cases was estimated to be **£90,642**:

	Without intervention	Cost to state pa £	Without intervention	Cost to state pa £	Without intervention	Cost to state pa £	Total cost to state pa £
1	Hospital admission	396	Move to residential care	53560	OT/Social worker	1764	55720
2	Fall	2108	Hospital admission	396			2504
3	GP visit	109	Fall	2108			2217
4	Fall	2108					2108
5	GP visit	109					109
6	Hospital admission	396					396
7	GP visit	109					109
8	Hospital admission	396					396
9	NA						0
10	GP visit	109					109
11	Fall	2108					2108
12	Homelessness due to eviction	6500					6500
13	GP visit	109					109
14	GP visit	109	Care at home	18148			18257
15	NA						0
							<b>£90,642</b>

**Table 4: Cost of likely outcomes without intervention**

## 6) Potential savings to the public purse

The potential approximate savings generated by the 15 case work interventions can be found by deducting the costs of likely outcomes for the individuals without intervention from the costs of supporting the actual outcomes resulting from the case work intervention.

Cost without intervention – cost with intervention

$$£90,642 - £27,483 = £63,159$$

This suggests a potential saving of £63,159.

With 15 cases, this gives a per client saving of £4210.6.

$$£63,159/15 = £4210.6$$

The unit cost of the whole service per client (based on achieving the target of 160 cases) was £221.25.

Minus the cost of the service funding per case of £221.25, there was an approximate average saving to the public purse of **£3989** for these 15 sample cases.

$$£4210.6 - £221.25 = £3989$$

The analysis shows that the service has the potential to not only improve the quality of life, health, wellbeing and social isolation of individuals who use the housing options service, but to also generate savings to the public purse by preventing homelessness, unwanted or early entry into residential care, falls in the home, health deterioration as a result of unsuitable housing and can reduce under-occupation and free up much needed family housing, whilst helping older people to remain healthy and independent in the most suitable housing for their needs.



## 7) Assumptions used in the analysis

### Move to sheltered housing

**£4327**

One outcome of the case work was that some clients moved into sheltered housing. This has a cost to the public purse.

The cost to a local authority of providing sheltered housing over one year is £8476.

- Based on Curtis, L. (2010) Unit Costs of Health and Social Care 2010. Personal Social Services Research Unit: University of Kent.

Average rent and service charge paid for sheltered housing by occupants 2009 is £4148.56.

- Based on averages from Dataspring.
- Assumed older people paid an average rent towards the sheltered housing. Some will get HB but some were owner occupiers so made assumption that cancels each other out.

Overall cost to a local authority of providing sheltered housing over one year is £4327.44.

- Cost of providing SH minus income in rent.

### Measures to reduce falls

**£95**

One outcome of the case work was that some clients received measures to reduce falls. This has a cost to the public purse.

Grab rail mean total cost £95

7.3 Local authority equipment and adaptations

<http://www.pssru.ac.uk/project-pages/unit-costs/2012/>

Unit Costs of Health and Social Care 2012

## **Move to adapted social housing**

**£3000**

One outcome of the case work was that some clients moved to properties with home adaptations. The average cost of a major housing adaptation is £6,000 (Heywood and Turner, 2007). A more minor one is assumed to be half at £3000.

## **Hospital admission**

**£396**

One likely outcome without intervention was that some clients would have been likely to have been admitted to hospital as a result of unsuitable housing.

NSRC4 NHS Trusts and PCTs combined reference cost schedules 2010-11

Accident and Emergency Services: Leading to Admitted £141

Paramedic Services: Emergency Transfers / Urgents £255

$255+141 = £396$

[http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_131140](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_131140)

## **Fall**

**£2108**

Without the case work intervention one alternative outcome was that some clients would have fallen at least once during the following year. This would have a cost to the public purse. This assumes double the average cost of a fall which results in A&E attendance as many of the local pilot clients had a history of serious falls.

Assumed one fall in a one year period £2108.  
Based on Hospital Episode Statistics 2009-10.

### **GP visit**

£109

Without the case work intervention one alternative outcome was that some clients would have made a visit to their GP as a result of unsuitable housing.

Per patient contact lasting 17.2 minutes £63

Prescription costs per consultation (net ingredient cost) £46.20

10.8b General practitioner — unit costs

<http://www.pssru.ac.uk/project-pages/unit-costs/2012/>

Unit Costs of Health and Social Care 2012

### **Move to residential care**

**£53,560**

Without the case work intervention one alternative outcome was that some clients would have been admitted into local authority residential care as a result of unsuitable housing.

£1,030 establishment cost plus personal living expenses per permanent resident week

1.3 Local authority residential care for older people

<http://www.pssru.ac.uk/project-pages/unit-costs/2012/>

Unit Costs of Health and Social Care 2012

Annual cost £53,560

### **Homelessness due to eviction**

**£6500**

Without the case work intervention one alternative outcome was that some clients would have been made homeless, for example, through eviction because of rent arrears. This research assumes that clients would have only been homeless for 3 months before being rehoused.

Research in 2008 by the New Economics Foundation indicated an annual cost to the state of £26,000 for each homeless person. This figure included the cost of benefits, hostel accommodation, and care of children.

<http://homeless.org.uk/costs-homelessness#.UA0j7qBRrww>

### **Care at home**

**£18,148**

Without the case work intervention one alternative outcome was that some clients would have required a package of care at home.

Total weekly cost of health and social care package £349

8.1.3 Community care package for older people: median cost

<http://www.pssru.ac.uk/project-pages/unit-costs/2012/>

Unit Costs of Health and Social Care 2012

Annual cost £18,148

### **OT/SW time**

£1764

Without the case work intervention one alternative outcome was that some clients would have required further assistance from occupational therapists or social workers. It was assumed that without intervention a further three hours of OT/SW time would be required at £147 per hour once a month.

Curtis, L. (2010) Unit Costs of Health and Social Care 2010. Personal Social Services Research Unit: University of Kent.

### **Downsize**

**£346 saving**

Continuing to under-occupy family housing where housing benefit is being paid has a higher cost. Where client moved from a 3 bed to a 2 bed there is a saving in the difference between the housing benefit costs. Annually a 2 bed costs £3,461 and a 3 bed £3,807 so there is a saving of £346.

<http://www.cchpr.landecon.cam.ac.uk/Downloads/EHO%20Trailblazers%20final%20report.pdf>

## **Declutter**

**£155**

An example weekday decluttering session of four hours costs £155.

<http://www.cluttergone.co.uk/Prices.html>

## **8) Contacts**

For more information about this report or the FirstStop evaluation please contact Dr Gemma Burgess at the Cambridge Centre for Housing and Planning Research.

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