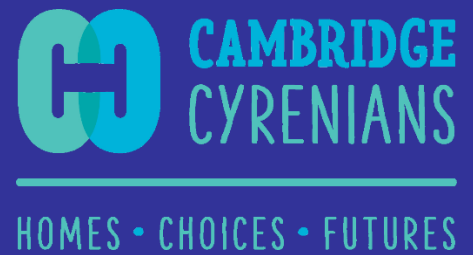


PRO BONO ECONOMICS

In partnership with:



Assessing the Economic Value of the Older Homeless Service

A report for Cambridge Cyrenians in association with Alastair Neame



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Acknowledgements: the author would like to thank James Oswald, who carried out research on comparative homelessness statistics to feed into this report, and Helen Jackson, who carried out early advisory work related to the project.

Executive summary

Cambridge Cyrenians is a local charity based in Cambridge that provides supported accommodation for around 100 homeless single men and women in the city, together with a range of support services. The charity provides accommodation to suit a range of needs, including short stay accommodation for people who are expected to be able to maintain their own tenancy in the near-future, and longer-term accommodation for those requiring higher levels of support to live independently.

Scope of this study

This study focuses on Cambridge Cyrenians' Older Homeless Service (OHS). Set up in 2003, the OHS provides advice and support to individuals over the age of 50 who are either at risk of eviction from an existing tenancy, or currently homeless and living in accommodation provided by Cambridge Cyrenians.

Cambridge Cyrenians asked Pro Bono Economics to:

- provide advice on how to assess the social value of the OHS in economic terms;
- provide an estimate of this, based on currently available data collected by Cambridge Cyrenians; and
- recommend additional data it would be helpful to collect to support future evaluations.

The study focusses on the activities of the OHS over the period 2014-18.

Key findings

The OHS provides an important support service to older homeless people over the age of 50. The service provides support in several different areas in a flexible manner. In this report we have focussed on the activities of the OHS to help individuals move into more suitable accommodation and those at risk of being made homeless through eviction. Our key findings are:

- The OHS helps reduce the social costs of homelessness by rehousing people in more suitable accommodation and preventing evictions. This helps to mitigate some of the negative effects of homelessness, such as poor health, increased crime and reduced employment. These affect the wellbeing of homeless individuals and increase the strain on public services.
- Over the period 2014-18 the OHS helped 19 people in Cambridge Cyrenians accommodation and a further 30 other people at risk of eviction. The data provided by Cambridge Cyrenians shows an improvement in circumstances for many of these individuals. 17 moved into more suitable accommodation, and there was a reduction in the risk of eviction for 17 people (with only one person needed to be moved into supported accommodation).
- It is not possible to reliably quantify the social value of the OHS based on the currently available evidence. This is because it is unclear to what extent improved outcomes for individuals assisted by the OHS can be causally attributed to the OHS. In addition, there is insufficient data to reliably estimate the costs of homelessness for people helped by the OHS. These are likely to be highly case specific and to vary considerably depending

on factors such as an individual's living circumstances, physical and mental health, and the nature and severity of any addiction problems.

- Some partial insight into the potential benefits that may arise from the work of the OHS to rehouse people can be gleaned using data on the associated reduction in accommodation costs. We use scenario analysis to explore how the ratio of potential benefits to the cost of the OHS depends on the length of stay in sheltered accommodation and the % attribution of accommodation savings to the OHS. This shows that the benefit- cost ratio (BCR) is likely to be more than 1 provided that the length of stay is at least 12 months and the % attribution is sufficiently large.
- There is some emerging evidence that individuals who were moved into more suitable accommodation in 2014 and 2015 have stayed in that accommodation for significantly longer than 12 months. In addition, very few individuals were rehoused in 2011-2014, which was a period when the OHS was not available due to a cut in funding, which suggests that the % attribution to the OHS may be relatively high.
- This evidence supports a tentative conclusion that the BCR may be above 1. However, further evidence is needed to fully test and demonstrate this finding.

Recommendations for future data collection

In developing recommendations for future data collection by Cambridge Cyrenians we have been mindful of the limited resources that are likely to be available for data-intensive evaluation, given the relatively small scale of the charity. We suggest that Cambridge Cyrenians considers creating costed case studies (or 'vignettes') for homeless people helped by the OHS. This would involve collecting data on the experiences of a range of 'typical' clients to capture the number of different homelessness-related incidents that occur (e.g. relating to health, crime, social support services, failed tenancies and so on) which can be costed using available unit cost estimates. Whilst such vignettes are only illustrative, they can help to shed light on the impact of the OHS through a more qualitative assessment of what difference it makes for people it helps. Given that the charity is very tightly resourced, we suggest that Cambridge Cyrenians considers making some provision for the cost of developing case studies in any future funding applications.

1 Introduction

Cambridge Cyrenians is a local charity based in Cambridge that provides supported accommodation for around 100 homeless single men and women in the city, together with a range of support services. The charity provides accommodation to suit a range of needs, including short stay accommodation for people who are expected to be able to maintain their own tenancy in the near-future, and longer-term accommodation for those requiring higher levels of support to live independently.

This study focuses on Cambridge Cyrenians' Older Homeless Service (OHS). Set up in 2003, the OHS provides advice and support to individuals over the age of 50 who are either at risk of eviction from an existing tenancy, or currently homeless and living in accommodation provided by Cambridge Cyrenians. Cambridge Cyrenians asked Pro Bono Economics to:

- Provide advice on how to assess the social value of the OHS in economic terms;
- Provide an estimate of this, based on currently available data collected by Cambridge Cyrenians; and
- Provide advice on what additional data it would be helpful to collect to support future evaluations.

The study focusses on the activities of the OHS over the period 2014-18.

The report is structured as follows:

- Section 2 outlines the role and activities of the OHS.
- Section 3 sets out a framework for assessing the social value of the OHS and discusses some of the implementation challenges based on currently available data.
- Section 4 discusses the results of our scenario analysis looking at the costs and benefits associated with the OHS's work to help rehouse homeless older people living in Cambridge Cyrenians accommodation.
- Section 5 sets out conclusions and recommendations for data collection by Cambridge Cyrenians.

The annex provides some estimates of the costs of various homelessness-related incidents from several sources.

2 The Older Homeless Service

The OHS has operated since 2003, with a three-year break in provision between 2011-14 due to a cut in funding. The service is delivered by a single individual, known as the 'post holder', who supports some 25 clients at any one time with the assistance of around 4-8 hours per week of volunteer time. Volunteers befriend OHS clients, helping them attend GP appointments and encouraging them to get outside more, as well as checking on their wellbeing.

The OHS focuses on individuals over the age of 50 and has two key goals:

- To help individuals who are currently in Cambridge Cyrenians homeless accommodation to become more independent and move to a more suitable form of accommodation (such as sheltered or social housing) on a sustainable basis.
- To prevent people who are currently living in social or sheltered housing from being evicted and made homeless.

The level of support required varies significantly between individuals, depending on their circumstances. For example, individuals at risk of eviction tend to require more intensive support as they are often referred to the OHS when they are close to the point of being evicted. The post holder tailors the support provided to each client based on their needs. Some of the common areas of support include:

- Assistance with money management and budgeting (e.g. setting up a bank account, assisting with benefits applications, and accessing advice on debt management).
- Assistance with arranging and attending GP, hospital and other appointments such as Citizens Advice Bureau.
- Assistance with shopping and advice on how to make healthy choices.
- Advice on substance misuse and where to seek help.
- Addressing problems affecting the sustainability of a tenancy (e.g. by drawing up good neighbour agreements).

The OHS also provides ongoing support to people who have been rehoused to prevent a return to homelessness. This typically comprises regular visits, with occasional phone calls. Cambridge Cyrenians has found that older individuals often struggle to move on from supported accommodation as they tend to have specific needs that cannot be adequately addressed by standard homeless support services. This is reflected in the fact that a high proportion of the older homeless people assisted by Cambridge Cyrenians have used its accommodation for several years.

2.1 Overview of the OHS's work since 2014

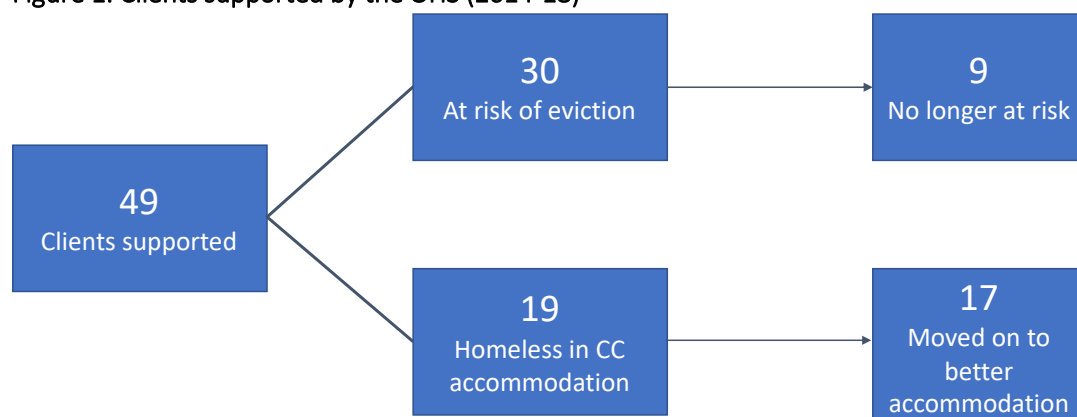
This study focusses on work of the OHS in the four-year period 2014-18. Over this time the OHS supported 49 clients in total, of which 30 were referred to the OHS due to being at high risk of eviction, and 19 were in Cambridge Cyrenians homeless accommodation. As shown in Figure 1:

- 9 of the 30 clients who were at risk of eviction are judged by the OHS to be no longer at risk. Of the 21 who are still at risk, 8 have improved considerably whilst 13 still require a high level of support from the OHS. Moreover, only one of the 30 clients at risk of eviction from their own tenancy needed to be moved into supported housing.

- 17 of the 19 homeless clients have moved on to more suitable accommodation, with 9 moving to sheltered accommodation, 5 to a council tenancy, and 3 to a housing association tenancy.¹

These outcomes show an improvement in the circumstances of many of the individuals helped by the OHS. However, as discussed in the next section, some care is needed to determine how much of the improvement in outcomes is due to the work of the OHS as opposed to other factors.

Figure 1: Clients supported by the OHS (2014-18)



¹ Source: Cambridge Cyrenians.

3 Assessing the social value of the OHS

This section considers how the net social value of the OHS could be assessed through a comparison of the cost of delivery the services against the benefits to society that results from its work. A distinctive feature of economic impact analysis is that social benefits from an intervention like the OHS are expressed in monetary terms to allow the comparison of costs and benefits in a common monetary unit.

We start by discussing the costs of running the OHS based on the different resources that are used. Following this, we consider how the OHS contributes to improved outcomes for its clients and discuss the potential sources of economic and societal benefits that may arise as a result. Finally, we consider the scope for quantifying the net social value of the OHS using currently available data.

3.1 Cost of the OHS

The main resource used by the OHS relates to the salary of the post holder, which was £32,000 per annum over the period 2014-18. The OHS also uses a small amount of other Cambridge Cyrenians resources, including oversight from management and shared use of office space and equipment. We have not quantified these indirect costs due to a lack of suitable data. However, we understand that the use of central resources by the OHS is small, and so indirect costs are unlikely to be particularly significant and would not materially affect this analysis. We have also not sought to quantify the economic cost of the volunteer input used by the OHS. As noted above, this is very limited at less than 8 hours per week and hence is also unlikely to be significant.²

3.2 Potential benefits of the OHS

As explained in section 2, the OHS provides support to two groups of individuals: those who are at risk of eviction from an existing tenancy, and those who are in Cambridge Cyrenians accommodation. This results in potential economic benefits associated with each group as follows:

- **Individuals at risk of eviction:** the OHS reduces the likelihood that these individuals will be evicted and made homeless. This helps to reduce the adverse consequences of homelessness, both for individuals and for society, and avoids the one-off costs associated with eviction.
- **Individuals in Cambridge Cyrenians' accommodation:** the OHS helps these individuals overcome the challenges of moving to more suitable accommodation and ensures that they do not become homeless again. This can lead to a higher quality of life for rehoused individuals and may also lead to a reduction in the cost of their accommodation (see later discussion). Also, helping individuals move on sooner frees up capacity in Cambridge Cyrenians accommodation for other homeless people. These wider social benefits are not included in this analysis but are acknowledged.

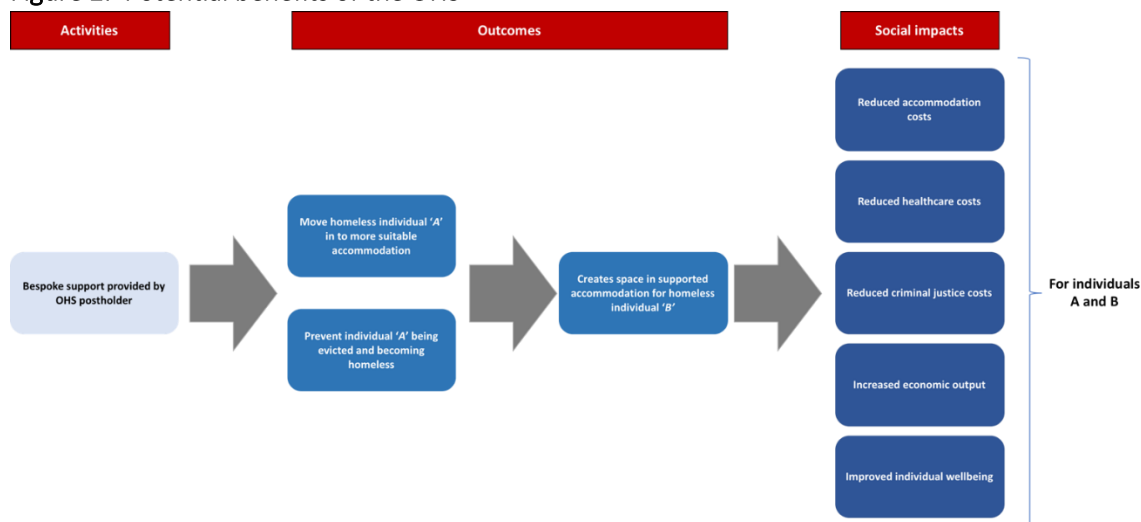
² The cost of volunteers typically depends on the opportunity cost of their time plus any out of pocket expenses (e.g. due to travel or phone calls). The former will depend on how volunteers would typically spend their time if not assisting the OHS. These costs will be offset by any benefits that volunteers enjoy as a result of assisting the OHS, for example in terms of higher wellbeing and satisfaction.

Previous research has established that homelessness is associated with a range of adverse outcomes for individuals and society that give rise to significant social costs.³ The relationship between homelessness and these outcomes will differ on an individual basis in terms of 'cause and consequence'. These include:

- **Increased use of health and social services:** On average, homeless people use health or social services more frequently than other groups and develop illness and disability at an earlier age than housed people. People living rough may be more likely to use emergency medical and psychiatric services than the general population.
- **Increased criminal justice costs:** Some groups of homeless people may be more likely to have frequent contact with the criminal justice system, for example because of offences associated with drugs and alcohol.
- **Loss of economic productivity:** homelessness can be associated with long-term unemployment and being unable to engage in paid work, leading to a loss of economic productivity to society.
- **Loss of wellbeing:** The lack of a permanent home has a detrimental impact on individuals' wellbeing over and above the health and employment impacts noted above.

The work of the OHS seeks to avoid or mitigate these adverse outcomes and limit the social costs of homelessness amongst older people in Cambridge. Figure 2 shows schematically how the activities of the OHS affect outcomes and illustrates the linkage through to different social impacts in a simple 'logic flow' diagram.

Figure 2: Potential benefits of the OHS



OHS clients typically suffer from a range of health and other problems, with 43% of clients having significant mental health issues and 39% having significant physical health issues. The charities' case notes refer to issues such as clients previously requiring extended hospital stays, being involved in drug related crime and having significant contact with the police. The OHS helps reduce the severity of these issues and the associated social costs. This is illustrated by Cambridge Cyrenians' internal data which suggests that the OHS helps reduce the demand placed on the health services by its clients. For example, over the period 2014-18 the number of hospital visits

³ European Observatory on Homelessness (2013): *The Costs of Homelessness in Europe*.

was reduced considerably (around 18%). This was offset, however, by an increase in the number of visit to the GP by around 6%.

3.3 What is the scope for quantifying the benefits of the OHS?

There are two key challenges that limit the scope to quantify the benefits of the OHS fully and reliably. First, it is unclear to what extent the improvements in outcomes for OHS clients can be attributed to support provided by the OHS. Second, there are significant difficulties in establishing a reliable estimate of the avoided cost of homelessness for individuals that are assisted by the OHS. We discuss these in turn below, and then consider the implications for our analysis.

Attribution of improvements to the OHS

As explained in the previous section, none of the individuals helped by the OHS in 2014-18 who were at risk of eviction were made homeless, and a high proportion of clients in Cambridge Cyrenians accommodation was rehoused. Whilst this is encouraging, it cannot be assumed that these outcomes are attributable to the work of the OHS as opposed to other causes. For example, it is possible that some of the individuals who were rehoused or avoided eviction might have done so without the support of the OHS. If this is the case, then the 'attributable impact' of the OHS would be less than 100% of the number of observed successful outcomes.

Assessing the attributable impact of the OHS involves a comparison of outcomes with and without the service to establish what difference it has made. In practice, this requires some evidence on actual outcomes for a similar group of older homeless individuals who were not supported by the OHS. It is important that this comparator group is comprised of individuals in similar circumstances and with similar characteristics to those helped by the OHS to ensure that the comparison is on a like-for-like basis. Without this, the comparator group is unlikely to give a sound basis for assessing the impact of the OHS.

Unfortunately, we were not able to identify a reliable comparator group for either those at risk of eviction, or those who are supported whilst in Cambridge Cyrenians accommodation. The reasons for this are:

- **Comparator group for those at risk of eviction:** this would need to contain a group of older people who face a similar risk as the clients helped by the OHS. In practice, this is very difficult to ensure given that the risk of eviction is likely to vary significantly depending on individual circumstances and is not easy to observe.
- **Comparator group for those in Cambridge Cyrenians accommodation:** this would need to contain a group of older people in similar accommodation who face comparable challenges to being rehoused. The ease of rehousing is likely to depend on an individual's readiness to move into sheltered accommodation, as well as the availability of suitable accommodation. Again, it is very difficult in practice to ensure that the comparator group and the group helped by the OHS are sufficiently comparable.

The implication of this is that it is not possible to reliably estimate the attributable impact of the OHS on outcomes using available data. It should be emphasised that this does not imply that the OHS was ineffective, but rather that proving this rigorously is challenging. It is interesting to note that only two referrals for rehousing from Cambridge Cyrenians were accepted by the City Council and Housing Associations that the charity works with in the period 2011-14 when there was no

OHS due to a cut in funding.⁴ Whilst not conclusive, this suggests that the % attribution to the OHS may be relatively high.⁵

Estimating the cost of homelessness for OHS clients

The costs of homelessness for OHS clients are likely to vary significantly depending on individual circumstances. One important reason for this is that, in practice, homeless people experience a wide variety of living situations which can significantly affect the social cost of homelessness. For example, an individual who is rough sleeping is likely to result in worse outcomes and higher social costs than a comparable person who has access to a hostel or other form of homeless accommodation.⁶ In addition, the impact of homelessness on public services is likely to depend on an individual's health, which again will be case specific. In this regard, we note that applying an average cost of homelessness from a different group is likely to be quite misleading, given the specific characteristics of the group of older people assisted by the OHS.

A further issue is that it is unclear how rehousing individuals currently in Cambridge Cyrenians accommodation in sheltered accommodation might affect the wider societal costs associated with homelessness. As noted above, moving into more suitable sheltered accommodation is likely to result in an improvement in an individual's wellbeing. However, the incremental impact of rehousing on an individual's health and employment (for example) is uncertain and likely to be highly case specific.

3.4 Implications for our analysis

These issues mean that it not possible to quantify the full economic benefits attributable to the OHS using currently available information. We have therefore carried out a more limited piece of analysis based on data collected by Cambridge Cyrenians which indicates that moving an individual in Cambridge Cyrenians accommodation to sheltered accommodation results in a reduction in accommodation costs.⁷

We use this data to explore the benefit of the OHS in terms of the total saving in accommodation cost for the 17 individuals who were rehoused in 2014-18. As explained in the next section, the size of this benefit depends on how long rehoused individuals remain in lower cost sheltered accommodation, as well as on the share of the saving that is attributable to the OHS. Since both are uncertain, we use scenario analysis to illustrate the potential benefit from accommodation cost savings for different assumed values of these parameters. Results are presented as the ratio of the potential benefit to the cost of the OHS.

It should be noted that this approach does not include any potential benefits arising from the work of the OHS to prevent evictions.⁸ In addition, it may understate the potential benefits arising from the work of the OHS to rehouse individuals, for example if moving to more suitable

⁴ In both cases this involved the charity offering intensive support to the two individuals who were rehoused.

⁵ We understand that none of the potential landlords that the OHS works with will accept a referral unless the service is offered. Cambridge Cyrenians has explained that this is due to the perception that the support needs of homeless individuals are too high to accept referrals without the assistance of the OHS (a view which is shared by the charity).

⁶ Similarly, the consequences of being evicted and made homeless will depend on what alternative arrangements are available.

⁷ This reflects the fact that Cambridge Cyrenians accommodation usually provides a higher level of support (including live-in wardens) that is more costly than other forms of accommodation.

⁸ In principle, this could be partially captured through an estimate of the cost savings from avoided evictions. The limited evidence on this suggests that the cost of eviction is highly variable. We were unable to identify a reliable average cost estimate and hence have not included the cost of eviction in our scenario analysis.

accommodation results in increased wellbeing, better health, and increased employment. Despite these limitations, we consider that this simple analysis provides some partial insight into the potential benefits that may arise from the work of the OHS to rehouse people.

4 Scenario analysis for accommodation cost savings

This section summarises the results of our scenario analysis of accommodation cost savings related to the work of the OHS in rehousing clients. As outlined above, this analysis compares an estimate of the total accommodation cost savings arising from the clients rehoused in the period 2014-18 that is attributable to the OHS to the total costs of operating the OHS over this period.

4.1 Approach used

The potential accommodation cost saving that is attributable to the OHS over the period 2014-18 depends on the following factors:

- average annual accommodation cost saving per person;
- number of people rehoused;
- length of stay in sheltered accommodation; and
- the % of savings that are attributable to the OHS (referred to below as the % attribution).

Using data provided by Cambridge Cyrenians, we estimate that the average accommodation cost saving per individual rehoused in 2014-18 is just under £6,900 per annum.⁹ Given that 17 people were rehoused in this period, this gives a total accommodation cost saving of £117,300 per annum. Using this figure, the potential benefit of the OHS deriving from attributable accommodation cost savings can be calculated from the following benefit equation:

$$\text{Potential benefit} = £117,300 \times \text{length of stay} \times \% \text{ attribution}$$

The potential benefit is higher if people stay longer in sheltered accommodation after being rehoused. This reflects the fact that the reduction in annual accommodation costs are realised for longer. Similarly, a higher % attribution to the OHS also increases the potential benefit since this implies that the OHS plays a relatively more important role in helping rehouse individuals who would not otherwise have been able to move.

As explained in the previous section, the length of stay and % attribution are both unknown. We therefore calculate the potential benefit for a range of scenarios in which rehoused individuals remain in their new accommodation for up to 3 years, and the % attribution to OHS varies between 0% and 100%.¹⁰ The potential benefit is compared to the cost of providing the OHS and results are expressed in terms of the benefit-cost ratio (BCR). We assume that the cost of the OHS is £32,000 per annum, or £128,00 over the period 2014-18. This is a conservative approach, since in practice some of this cost is related to supporting clients at risk of eviction.

4.2 Summary of results

Figure 3 shows the results of our scenario analysis. Each line shows how the BCR increases as the average length of stay increases. The three lines correspond to attribution rates of 25%, 50% and 75%. As can be seen, the BCR increases with both the % attribution and the length of time in sheltered accommodation. A further notable feature of Figure 3 is that the point at which each line cuts the horizontal axis indicates the minimum time in the new accommodation that is required for the potential benefits to exceed the cost of the OHS (this is referred to as the

⁹ This average is based on data for 12 of the 17 rehoused clients. We assume that the average rent applies to all 17 rehoused clients.

¹⁰ Note that any potential benefits beyond the assumed time in sheltered accommodation are not included in this analysis. This will be conservative if rehoused individuals remain in sheltered accommodation for longer, or if they move on to non-sheltered accommodation. For simplicity we do not discount future benefits or costs. This does not materially alter our findings given the short time period considered.

'breakeven' point). For example, for a 75% attribution rate, rehoused individuals would need to remain in their new accommodation for at least 18 months for the attributable saving in accommodation costs to exceed the cost of the OHS.

Figure 3 also shows that the minimum length of stay required to breakeven is longer if the attribution rate is lower. Indeed, for a 25% attribution rate, 3 years in the new accommodation would still not be sufficient to generate a positive return.

Figure 3: Benefit-cost ratio for different attribution assumptions

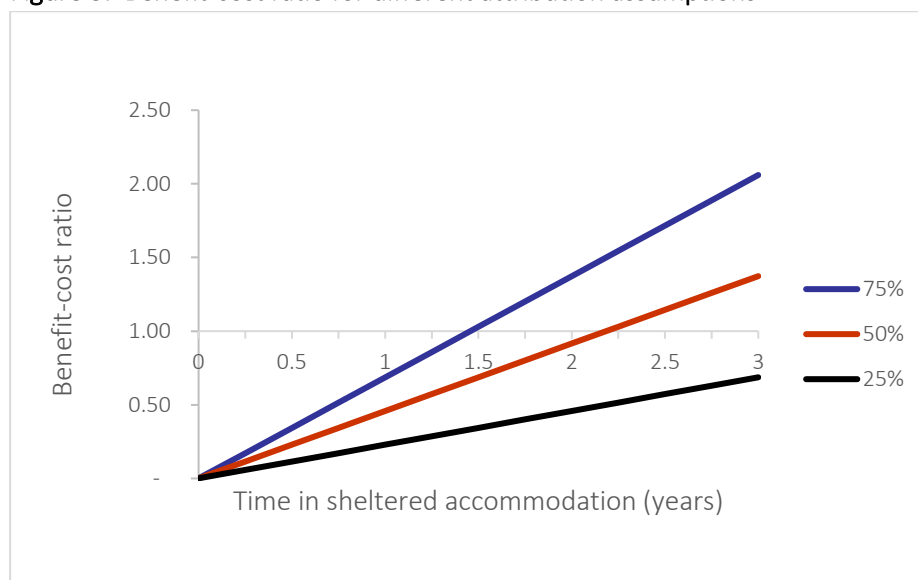


Figure 4 sets out the results of our scenario analysis in a slightly different 'heat map' form which gives a high-level overview of our scenario analysis. The coloured areas in the figure show regions where the BCR takes different values: the red area corresponds to a BCR less than 1; green to a BCR between 1 and 1.5; and orange to a BCR greater than 1.5. For example, if the attribution rate is 60% and the time in sheltered accommodation is 2 years, the BCR is between 1 and 1.5.

Figure 4: BCR heat map

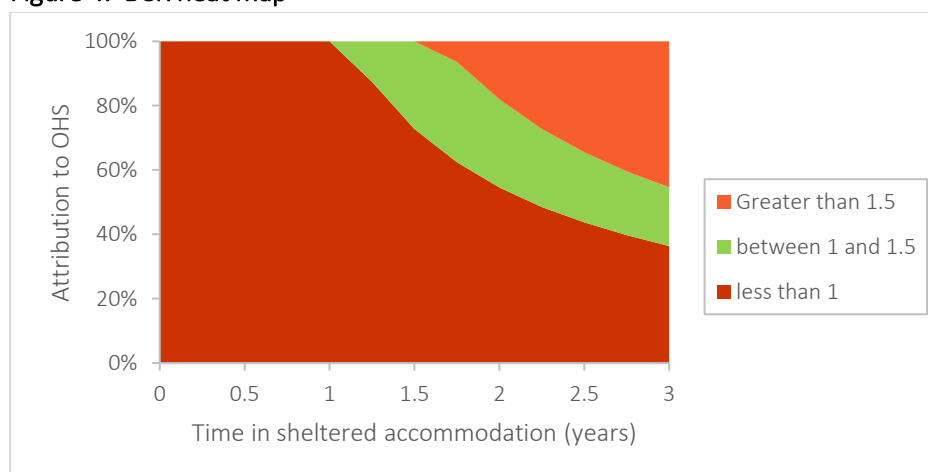


Figure 4 shows that the length of time in sheltered accommodation must be more than one year to obtain a BCR greater than 1. However, the attribution rate needed to obtain a BCR greater than 1 falls as the length of stay increases. For example, if the average stay is 3 years, then an attribution rate above 36% is sufficient for the BCR to be greater than 1.

4.3 Interpretation

The above scenario analysis provides some partial insight into the potential benefits that might arise from the work of the OHS to rehouse people in relation to the savings in accommodation costs. The main value of this type of approach is that it highlights the relative importance of the attribution rate and the length of stay in lower cost accommodation in determining the magnitude of attributable benefits from this source.

We consider that it is certainly plausible that the OHS plays quite a significant role in rehousing people, given the acknowledged challenges that older homeless people face when moving on from Cambridge Cyrenians accommodation.¹¹ This might suggest that a relatively high % attribution rate is appropriate. However, the actual value of this parameter is unknown at present, as is the average length of stay in sheltered accommodation post-rehousing. As a result, it is not possible to provide a reliable estimate of the potential BCR based on the currently available evidence.

We note that Cambridge Cyrenians does have some emerging evidence that indicates the typical length of stay for those who have moved into lower cost accommodation is greater than 12 months. This is based on data relating to beneficiaries who were moved into alternative low-cost accommodation in 2014 and 2015. The majority have stayed in that accommodation for longer than 12 months, with many still in place – now 4-5 years after the original placement. However, this finding is based on a relatively small sample of data and cannot be regarded as conclusive at this stage.

We also note that assessing benefits in terms of accommodation cost savings is unlikely to capture all the potential benefits that may arise from the OHS. For example, it does not include the impact of moving to more suitable accommodation on the health and wellbeing of a rehoused individual, nor any benefits from the OHS's work in preventing evictions.

¹¹ The rate at which people were rehoused in the period 2011-14 when the OHS was suspended was considerably lower than in 2014-18. However, it is unclear to what extent this reflects differences between these two periods in the characteristics of the homeless people helped by Cambridge Cyrenians, or the availability of suitable sheltered accommodation. Accordingly, we do not consider that outcomes in 2011-14 provide a reliable guide to the impact of the OHS in 2014-18.

5 Key conclusions and recommendations

In this section we first summarise our key findings, and then set out some recommendation in relation to the type of data that Cambridge Cyrenians may wish to collect to support future evaluations.

5.1 Key findings

The OHS provides an important support service to older homeless people over the age of 50. In this report we have focused on the OHS role in helping individuals move into more suitable accommodation and those at risk of being made homeless through eviction. Our key findings are:

- The OHS helps reduce the social costs of homelessness by rehousing people in more suitable accommodation and preventing evictions. This helps to mitigate some of the negative effects of homelessness, such as poor health, increased crime and reduced employment. These affect the wellbeing of homeless individuals and increase the strain on public services.
- Over the period 2014-18 the OHS helped 19 people in Cambridge Cyrenians accommodation and a further 30 other people at risk of eviction. The data provided by Cambridge Cyrenians shows an improvement in circumstances for many of these individuals. 17 moved into more suitable accommodation, and there was a reduction in the risk of eviction for 17 people (with only one person needed to be moved into supported accommodation).
- The currently available evidence is not sufficient to reliably the net social value of the OHS. There are key uncertainties in relation to the extent to which improved outcomes for individuals assisted by the OHS can be causally attributed to the OHS and the length of time individuals remain in sheltered accommodation. In addition, the costs of homelessness for people helped by the OHS are likely to be highly case specific and to vary considerably depending on factors such as an individual's living circumstances, physical and mental health, and the nature and severity of any addiction problems.
- Estimation of the impact of the OHS would need robust evidence on outcomes for a comparable group of older homeless people who did not receive support from the OHS. In addition, significant data on client's experiences of issues such as health and crime, before and after joining the OHS would be needed.
- Based on scenario analysis comparing accommodation cost savings to the cost of the OHS service we find that the BCR is likely to be more than 1 provided that the length of stay is at least 12 months and the % attribution is sufficiently large. As discussed throughout this report, there is some evidence that supports the argument that the BCR may be above 1 (and possibly comfortably above), but this is not conclusive.

5.2 Recommendations for data collection

As noted above, there are some considerable challenges involved in carrying out a robust economic evaluation of the social value of the OHS. To address these effectively it would be necessary to invest considerable time and effort in collecting data to demonstrate how the OHS affects outcomes for its clients. This would need to include, for example:

- **Evidence on clients' experience of issues such as health, crime and substance abuse before, during and after support from the OHS.** In principle, this could be gathered through

surveys. However, the survey questions would have to be quite detailed to be able to link these experiences to the available categories of unit cost data (see Annex). In addition, this data would need to be collected for all (or the majority) of clients, because of the wide variation in costs of individual cases of homelessness and the relatively small client population of the OHS.

- **Evidence on outcomes for a suitable comparator group of older homeless people who do not receive support from the OHS.** As explained in section 3, this is required to assess the extent to which improvements in outcomes can be attributed to the OHS. There may also be scope for using figures on outcomes from other studies, although we would caution that the importance of individual circumstances means that there is likely to be a risk that these are not fully comparable.
- **Follow-up data on rehoused individuals.** It will remain important for the charity to continue to track whether those individuals who have been placed in lower-cost accommodation have remained in place to gain a better understanding of the typical length of stay. As shown in the above analysis, this is an important variable in the consideration of whether the OHS has generated a 'positive return' on the public funding.

The time and cost required to gather more comprehensive data of this type may well be prohibitive and disproportionate given the relatively small scale on which Cambridge Cyrenians operates. We therefore suggest that Cambridge Cyrenians considers collecting a more limited set of data aimed at creating costed case studies (or 'vignettes') for homeless people helped by the OHS. Whilst such vignettes are only illustrative, they can help to shed light on the impact of the OHS through a more qualitative assessment of what difference it makes for people it helps.

Under this approach, data would need to be collected for a range of 'typical' clients to capture the number of different homeless-related incidents that occur (e.g. relating to health, crime, social support services, failed tenancies and so on). The aim should be to collect data on the incidents that can be costed using publicly available unit cost estimates. Table 1 shows some of the unit cost categories used in a vignette for a homeless man, aged 55, who is sleeping rough, that was set out in a report by 2003 Crisis.¹²

Cambridge Cyrenians will need to consider how best to implement this type of costed case study approach, given the resources available and the nature of their interaction with clients. There are several important issues to consider, including:

- **How to collect data:** data could be collected by asking clients about their experience before joining the OHS, and by keeping a record of additional incidents whilst receiving OHS support. This could be gathered through informal conversations or more structured interviews.
- **The period of time to cover prior to OHS support:** case studies in the literature tend to cover a period of between 6 and 12 months. A shorter period could be chosen for some case studies if reliable data could not be collected for. It would also be helpful to continue to collect data after clients' behaviour has changed following OHS support to allow a before-and-after comparison
- **The range of incidents to cover and link to unit costs:** we suggest that Cambridge Cyrenians decide which incidents should be recorded based on informal discussions or structured interviews with clients. These can then be costed using available unit cost estimates.

¹² See Crisis and the New Policy Institute (2003): *How Many, How Much?*

Table 1 indicates the level of detail that will be required to utilize unit cost data. Table 2 in the Annex provides some further unit cost estimates from various sources, and it may also be worth consulting the New Economy Manchester Database.¹³

An advantage of this approach is that it can be done at any scale, as the aim is to illustrate potential benefits of the OHS using specific case studies rather than to attempt to comprehensively estimate benefits. Ideally, these case studies should be chosen to illustrate different types of older client assisted by Cambridge Cyrenians.

Table 1: Example of homelessness case study

Incident	Estimated cost per incident	Number of incidents (based on Evan case)
<i>Health</i>		
GP visit	£20	1
Treatment for mental ill-health	£6000	
Visit to A&E	£200	1
<i>Criminal justice</i>		
In response to a theft from a shop	£20	
In response to a serious wounding	£14,500	1

Source: Crisis (2003)¹⁴

¹³ <http://www.neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>.

¹⁴ Crisis and the New Policy Institute (2003): *How Many, How Much?*, pages 39-40.

Annex: Unit cost estimates of homelessness by incident

Table 2 shows a range of unit cost estimates for various incidents that are associated with homelessness. It shows the significant costs of certain incidents in relation to the annual costs of the OHS, particularly bearing in mind that a single case of homelessness could entail several of these incidents over the course of the year.

Table 2: Unit costs of various incidents associated with homelessness

Category	Incident	Unit cost	Source
Physical health	Non-elective inpatient stay (long / short)	£2,461 / £586	Homeless Watch, "What's it worth?" (2012)
	A&E treatment (without admission)	£112	
	Paramedic service per incident	£230	
Mental health	Mental health inpatient bed day	£338	
	Local authority residential care per week	£783	
Elderly care	Local authority residential care per week	£1,007	
Crime & anti-social behaviour	Response to wounding (major / minor)	£14,500 / £1,450	Crisis, How Many, How Much (2003)
	Alcohol misuse	£3,270	New Economy Manchester Database
Housing	Simple / Complex eviction	£750 / 5,702 ¹⁵	New Economy Manchester Database
	Homelessness application	£2,724	New Economy Manchester Database
Wellbeing	Moving from rough sleeping to temporary accommodation (per year)	£16,448	HACT / Simetrica (2015)
	Moving from temporary to secure accommodation (per year)	£8,019	HACT / Simetrica (2015)

¹⁵ The figure here includes the costs of serving and enforcing the eviction notice, re-letting the house and making a homelessness application, but excludes the forgone rent to the landlord (£1,900) that was included in the original estimate as this is a transfer rather than an additional resource cost of homelessness