Shelter Manchester: Inspiring Change Manchester Local Evaluation

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Shelter

GMCA GREATER MANCHESTER COMBINED AUTHORITY

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Executive Summary

Introduction

Inspiring Change Manchester (ICM) is an 8 year programme that supports people with multiple and complex needs (including a history of problem drug and alcohol use, mental health or emotional well-being issues, accommodation problems and offending). ICM is part of the Fulfilling Lives: Supporting People with Multiple Needs programme, which is a Big Lottery Fund programme investing £112m into 12 projects across England.

The Greater Manchester Combined Authority Research Team (GMCA) (formally New Economy) were commissioned by Shelter to complete a follow up evaluation of years 3 and 4 of the ICM programme. This would be designed to meet Shelter's stated outcomes of:

- **Improving outcomes for people with multiple and complex needs**

- **Bringing about systems change for people with multiple and complex needs**

The evaluation considers:

- **Core ICM programme benefits tracking and monetisation**

- **A full Cost Benefit Analysis of the ICM Housing First Pilot**

Inspiring Change Manchester

An evaluation was completed which considered behaviour, wellbeing and lifestyle changes in programme members on the wider ICM programme. This considered changes in self-reported indicators overtime as well as applying a cost-consequence model to identify potential fiscal benefits as a result of changes to these indicators.

Key findings included:

- **Significant positive changes to all 20 measured outcomes** when comparing initial and final scores

- Improvements in **outcomes increase significantly for each year the person has engaged** with the programme

- **Potential savings of around £88,000 to public services** are identified over the course of the programme

- The **increased wellbeing** of programme members seen whilst engaged in the ICM programme has **potentially generated around £394,000 in public value benefit**

- **Potential fiscal benefits of around £65,000** may have been generated by ICM programme members **engaging in education, training and employment opportunities**

ICM Housing First Pilot

Housing First is an approach to addressing homelessness in people with high and complex needs who have experienced entrenched or repeated homelessness. The approach prioritises the access to stable, independent accommodation to provide a platform from which people can access support and address any difficulties that they might be experiencing.

The ICM Housing First model was analyses used a combination of statistical and cost-benefit analyses on 21 people engaged with the programme. Comparisons were made to programme members on the wider ICM cohort to provide a control group.

Key findings include:

- Net saving to public sector budgets as a result of the intervention is **estimated to be £279,000 over five years**

- **Key beneficiaries are the NHS, the criminal justice system, housing providers and local authorities**

- The **public value created by the changes in social wellbeing** experienced by programme members of the ICM Housing First intervention is **approximately £464,000 over five years**

- **ICM Housing First has a disproportionately positive effect on the wellbeing** of the programme members when compared to members on the wider ICM programme

However, the ICM Housing First model is unlikely to be possible in either the short or longer-term to reduce budgets for frontline services as a response to changing use. This means that whilst overall the programme will save the combined public purse money, this is unlikely to ever realistically affect the budgets of individual partner agencies at the current programme scale (i.e. with such small numbers engaged with the programme).

Recommendations

It is recommended that:

- Future research and evaluation of the Housing First model should seek to gain consent from programme members to access personal level record data from public services of interest to improve data quality
- Research and evaluation of focused projects with the wider ICM programme should be undertaken to provide an evidence base to inform future commissioning
- Improvements in wellbeing seen in both the wider ICM and the ICM Housing First programmes should not be underestimated and this should be an element in all future research projects

Chapter 1: Shelter Manchester: Inspiring Change Manchester Local Evaluation

Introduction

1.1 Inspiring Change Manchester (ICM) is an 8 year programme that supports people with multiple and complex needs (including a history of problem drug and alcohol use, mental health or emotional well-being issues, accommodation problems and offending). ICM is part of the Fulfilling Lives: Supporting People with Multiple Needs programme, which is a Big Lottery Fund programme investing £112m into 12 projects across England. The aims of Fulfilling Lives are as follows:

- Change lives - individuals experiencing multiple needs will benefit through better established partnerships and networks which best support individuals
- Change systems - evidence will be produced showing which elements of the programme are effective. Local and national decision-makers will be encouraged to review and adopt these elements where appropriate
- Involve beneficiaries - both positive changes to individuals and system change will be underpinned by the collaborative, genuine and honest involvement of individuals with lived experience[1]

1.2 The Inspiring Change Manchester programme was developed by both service users and partners from across the voluntary and public sectors. Together, they identified the barriers that stop people with multiple needs leading fulfilling lives, and designed a programme to combat this, which focuses on providing the right range of services at the right time. The ICM programme is delivered by a partnership led by Shelter.

1.3 A key aspect of the programme is to use local evaluation to better inform future design of services, to allow the programme to evolve and improve over time. Key aspects of the ICM programme include support into education, training and employment; working with Self Help Services (Big Life) to enable access to counselling and therapeutic services; and working with Community-Led Services Initiatives to train peer mentors.

1.4 Internally there are 5 key systems change objectives which ICM works towards:

- **No Wrong Door** – Ensuring that individuals with multiple and complex needs get the right support, at the right time, in the right way
- **Improved information sharing** – Sharing quality information to ensure clients get the support they want and need and do not have to re-tell their story
- **Co-production** – All individuals who have a stake in multiple and complex needs play a key role in the design, development and delivery of services. People with lived experience are at the core of the model

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[1] Big Lottery Fund, Fulfilling Lives: supporting people with multiple needs

- **Person-centred approaches** – Support is built around individuals with multiple and complex needs drawing upon and enhancing their personal assets, experiences and life journeys
- **Removing barriers to access** – All individuals with multiple and complex needs should be able to get access to the support they want and need

1.5　The overarching aim for the local evaluation of Inspiring Change Manchester is to assess the extent to which the project is achieving its four intended outcomes:

1. **Improving outcomes for people with multiple and complex needs**: Manchester residents with three or more complex needs will have improved health, well-being, housing, employability, reduced re-offending, and these will be sustainable
2. **People with lived experience at centre of design, delivery and governance of services**: Manchester residents with multiple and complex needs will have more opportunities for involvement in the services they need, and influence on decisions that affect them
3. **Introducing and promoting holistic and integrated approaches**: Services will share more information and better co-ordinate interventions for people with multiple and complex needs
4. **Bringing about systems change for people with multiple and complex needs**: Commissioning of mainstream services will respond to project learning, funding cost-effective evidence-based interventions for people with multiple and complex needs.

1.6　The ICM programme is now in its fifth year. In the first two years of the programme, the local ICM evaluation consisted of five main components:

- Systems change monitoring and analysis (completed by the Centre for Local Economic Strategies (CLES))
- Primary data collection with individual service users and volunteers to understand experiences and change (completed by Leeds Beckett University)
- Exploring success and the impact of unique project-specific elements (completed by Leeds Beckett University)
- Value for money / cost effectiveness exercise (completed by New Economy)
- Ad hoc research activities

1.7　New Economy's modelling work of the first two years of the programme illustrated a potential for the ICM programme to have a positive impact on the reduction of demand on public services with the potential to save money to the public purse.

1.8 Following this analysis, the Greater Manchester Combined Authority Research Team (GMCA) (formally New Economy) were commissioned by Shelter to complete a follow up evaluation of years 3 and 4 of the ICM programme. This would be designed to meet Shelter's stated outcomes 1 and 4. The evaluation would form two parts:

- Core ICM programme benefits tracking and monetisation
- A full Cost Benefit Analysis of the ICM Housing First Pilot

1.9 This report details the evaluation of the work completed in these areas.

Chapter 2: Inspiring Change Manchester

Evaluation of Programme Years 3 and 4

1. Introduction

1.1 New Economy's (2016) previous evaluation of the ICM programme showed that the people who remained engaged with the programme for five or more quarters experienced a rapid 40% reduction in cost to public services in their second quarter. Subsequent costs to wider society remained relatively steady from that point onwards. Conversely, people with a shorter engagement with ICM saw an overall increase in their cost to public services at the end of engagement with the programme. However, when looking at the social value created for individuals and society by the ICM programme, all cohorts saw a positive benefit.

1.2 The key message of that analysis, whilst embryonic, was that the selection of further individuals into the programme needed to include the most rigorous assessment possible of the likelihood they will remain engaged with the intervention for a prolonged period of time. This is explored in more detail in the present evaluation. An analysis of the differences in length of engagement and of those who have left the programme and then returned were considered in the evaluation.

1.3 The 2016 report focused solely on the benefits of the programme, rather than costs; data were analysed for the six quarterly reporting periods that had been completed up until that point. The current evaluation aimed to consider the fiscal benefits of the ICM programme. A cost-consequence model was applied to the outcome scores of ICM programme members to illustrate any impact on public service areas, including how the use of services has changed for members of the programme. The proposed analysis to be undertaken relating to Outcome 1 of the Shelter Outcome framework is as follows:

- **Understanding the number of members of the programme reporting improvements in wellbeing and reduced risk factors in key areas of their lives** through analysis of the homelessness outcome star data for service users to determine distance travelled;

- **Understanding the number of members of the programme demonstrating reduced levels of chaotic behaviour** by analysing the NDT assessment data and homelessness outcome star data for service users to determine distance travelled in terms of wellbeing and engagement with services;

- **Understanding the number of members of the programme who are engaging in activity to help prepare them to transition into education, training and employment** through analysis of service user records to

understand volunteering activity among the cohort, including activities such as the co-design of services within the programme.

1.4 A cost-consequence analysis was then conducted to describe the potential savings of each of these changes in outcomes for the relevant public service area, to provide evidence to fulfil Outcome 4 of the Framework.

2. Methodology

2.1   Data collected between 1 July 2015 and 31st March 2018 was analysed for the purposes of this report. Data prior to July 2015 was not considered to be robust enough to be included in the analysis due to significant gaps in the data collection. At the end of March 2018, 326 people had engaged with the ICM programme.

Wellbeing and Lifestyle of Programme Members

2.2   The analysis considered data collected across three measures:

- The Homelessness Outcomes Star[2] is used to assess wellbeing and risk factors. It is scored on a scale of 1-10 (a higher score indicates increased feelings of self-reliance in the area) across 10 outcome areas. ICM programme members complete the assessment when they join the programme, and then approximately every 6 months. Therefore, an increase in members' Outcomes Star assessment scores over their engagement with the programme would illustrate improvements in outcomes for programme members.

- New Direction Team (NDT) Assessment (Chaos Index)[3] which focusses on indicators of chaotic lifestyle and is scored out of 4 or 8 depending on the measure (with a higher score indicating a greater degree of difficulty) across 10 outcome areas. ICM members complete the NDT assessment when they join the programme, and then approximately every 6 months. Therefore, a decrease in members' NDT assessment scores over their engagement with the programme would illustrate improvements in outcomes for programme members.

- The number of members of the programme that have engaged with education, training and employment opportunities, as well as the type of activity recorded.

2.3   Of the people engaged on the programme, 212 (65%) have been included in the Outcomes Star analysis and 227 (70%) in the NDT analysis. These are individuals who:

- Have been members of the ICM programme for two or more quarters since July 2015

- Have at least two NDT/Outcomes Star assessment scores to ensure that there is sufficient data for comparison purposes.

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[2] Outcomes Star (2018). *Homelessness Star™: The Outcomes Star for people with housing and other needs.* Available at http://www.outcomesstar.org.uk/using-the-star/see-the-stars/homelessness-star/

[3] South West London and St George's HNS Mental Health NHS Trust (2008). *The New Directions Team Assessment (Chaos Index).* Available at The New Directions Team Assessment (Chaos Index)

2.4 This means that individuals that are new to the programme (i.e. their first assessment was in Q1 2018/19), those who did not engage for two quarters, or those who have not completed two assessments have not been included in the analysis.

2.5 The analysis of wellbeing and risk factors and chaotic behaviours has been undertaken in the following ways:

- **Change across all members of the programme over time**: this analysis takes the mean scores by indicator/outcome for each quarter over the period, and assesses the change over time. Percentage change over the period is calculated from the change in total average score between the first reporting period (Q2 2015/16) and the last reporting period (Q1 2018/19) for each outcome.

- **Change over time by length of engagement with the programme:** this involves considering the impact on outcome measures that the length of time that ICM members engaged with the programme. Members have been grouped by the total number of quarters for which they have been engaged with the programme; this may include quarters where assessments have not been completed. Percentage change over the period is calculated from the difference between the first and last recorded scores for each member of the programme, and aggregating the averages by length of engagement. This is because those who have engaged for less time have done so across different quarters within the programme period, meaning that the average first and last scores for this group were unreliable.

- **Outcomes for those who have disengaged and re-engaged with the programme**: this involves analysing the assessment data from members of the programme who have left the ICM programme (classed as 'completed cases') and then re-engaged at a later date, with consideration made for the reason for disengagement. The methodology for this is the same as that for analysis by length of engagement.

Cost Consequence Analysis of the ICM Programme

2.6 In order to provide evidence of the potential impact of the ICM programme on members' use of public services, a cost-consequence analysis was undertaken. The aim of this was to estimate the potential annual savings to certain public services as a result of people engaging with the ICM programme. Consideration is also made to the overall public value benefit generated by the ICM programme in

terms of any changes in wellbeing experienced by the programme as well as changes seen in members accessing education, training and employment.

2.7 The cost-consequence analysis was conducted using data from the 212 programme members who had completed assessment scores from the Outcomes Star assessment. The overall average improvement in certain outcomes has been used to model potential savings of the programme.

2.8 Savings and public value figures have been derived using the GMCA Unit Cost Database[4], the New Economics Foundation[5] and the HACT Social Value Bank[6]. These figures are in the form of a cost of an intervention (e.g. the cost of an eviction), or the benefit of an intervention (e.g. the public value benefit of gaining a Level 2 qualification).

2.9 The New Economics Foundation's estimates the benefit of improved wellbeing across the following areas: reduced isolation, positive functioning and emotional wellbeing. The Outcomes Star outcomes have been used as proxy measures of these indicators of wellbeing (see table 1 for list of mapped indicators). The mean change in score has been used to estimate the potential annual public value benefit of the wellbeing changes seen by members of the programme.

Table 1: New Economics Foundations indicators of improved wellbeing mapped against the relevant outcomes in the Homelessness Outcomes Star

National Accounts of Wellbeing outcome	Outcomes Star proxy outcome
Reduced isolation	• Social networks • Relationships
Positive functioning (autonomy, control, aspirations)	• Meaningful use of time • Motivation and taking responsibility • Self-care and living skills
Emotional well-being	• Emotional and mental health

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[4] GMCA (2018). *Cost Benefit Analysis and Evaluation.* Available at https://www.greatermanchester-ca.gov.uk/info/20175/research/155/research_cost_benefit_analysis_and_evaluation

[5] New Economics Foundation (2009), *National Accounts of Wellbeing: Bringing real wealth onto the balance sheet.* London, UK: New Economics Foundation

[6] HACT (2018). *Social value bank.* Available at https://www.hact.org.uk/social-value-bank

2.10 HACT have produced a set of social value indicators for the housing sector, known as the HACT Social Value Bank. This includes a figure for the social value of regular volunteering, which has been applied to those who have started or completed regular volunteering activities over the course of the ICM programme, to estimate the social value of volunteering generated by ICM.

2.11 It is important to note that this cost-consequence analysis purely provides an indication of areas where public service use may reduce, it does not model for circumstances where an individual may use a different service instead.

3. Findings

Change across all members of the programme over time

3.1 When comparing the initial recorded score and final recorded score for the Outcomes Star assessments, significant improvements are seen for all 10 outcome measures across the cohort (all *ps*<.001). As can be seen from Figure 1, positive increases can be seen for all measures. The outcomes that see the biggest percentage increase are managing tenancy and accommodation (64% increase), managing money, drugs and alcohol misuse and meaningful use of time (all see a 47% increase). The smallest percentage improvements were seen for physical health (25%) and offending (16%).
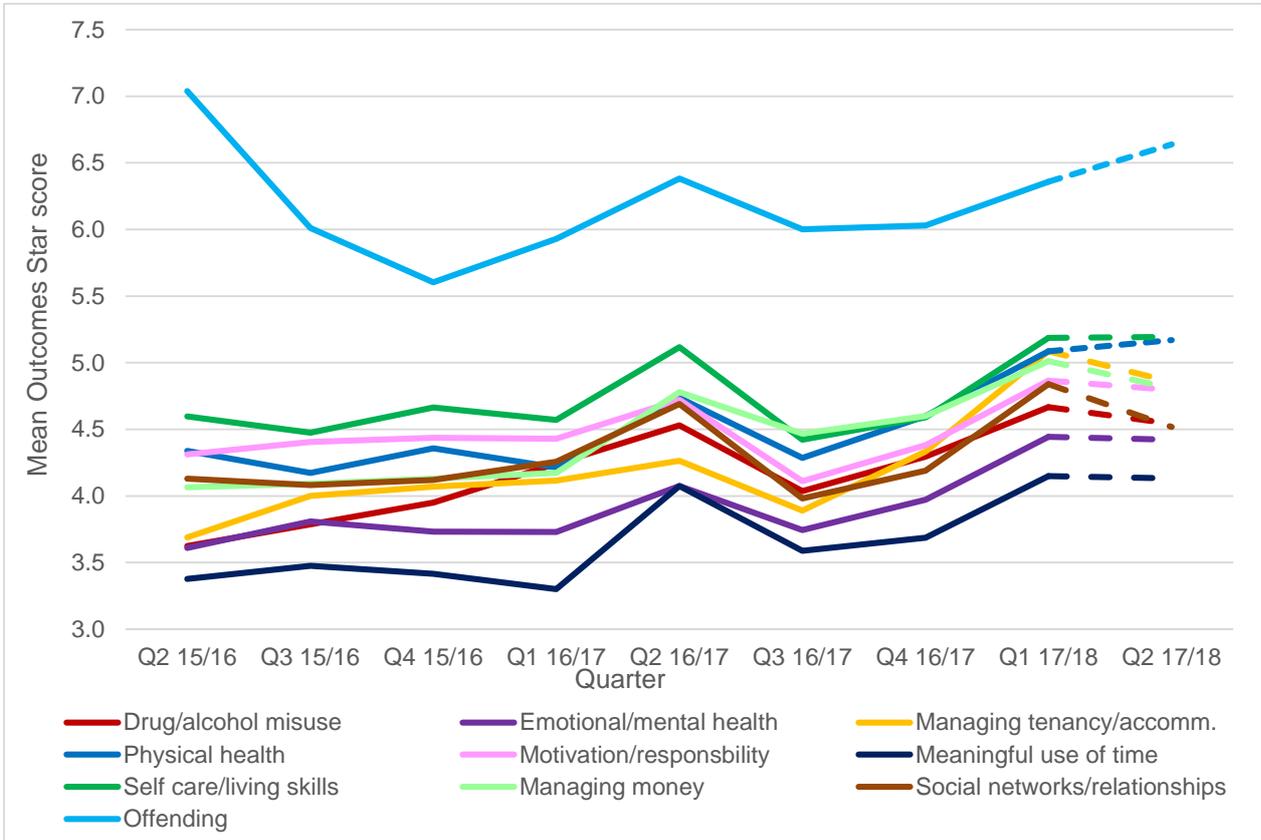

Figure 1: Mean ICM programme member Outcome Star scores by indicator. Note: No data was recorded in Q4 2017/18, therefore all trend lines from Q3 2017/18 are dotted to reflect the missing data point.

3.2 Significant improvements are also seen for all 10 outcome measures on the NDT assessment across the cohort (all *ps*<.001). As can be seen from Figure 2, reductions can be seen for all measures which reflects that the outcome is becoming less of an issue over time. The outcomes that see the biggest percentage decrease are housing (24% decrease) and risk to others (23% decrease). The smallest percentage decreases were seen for alcohol and drug use (14%) and unintentional self-harm (15%).
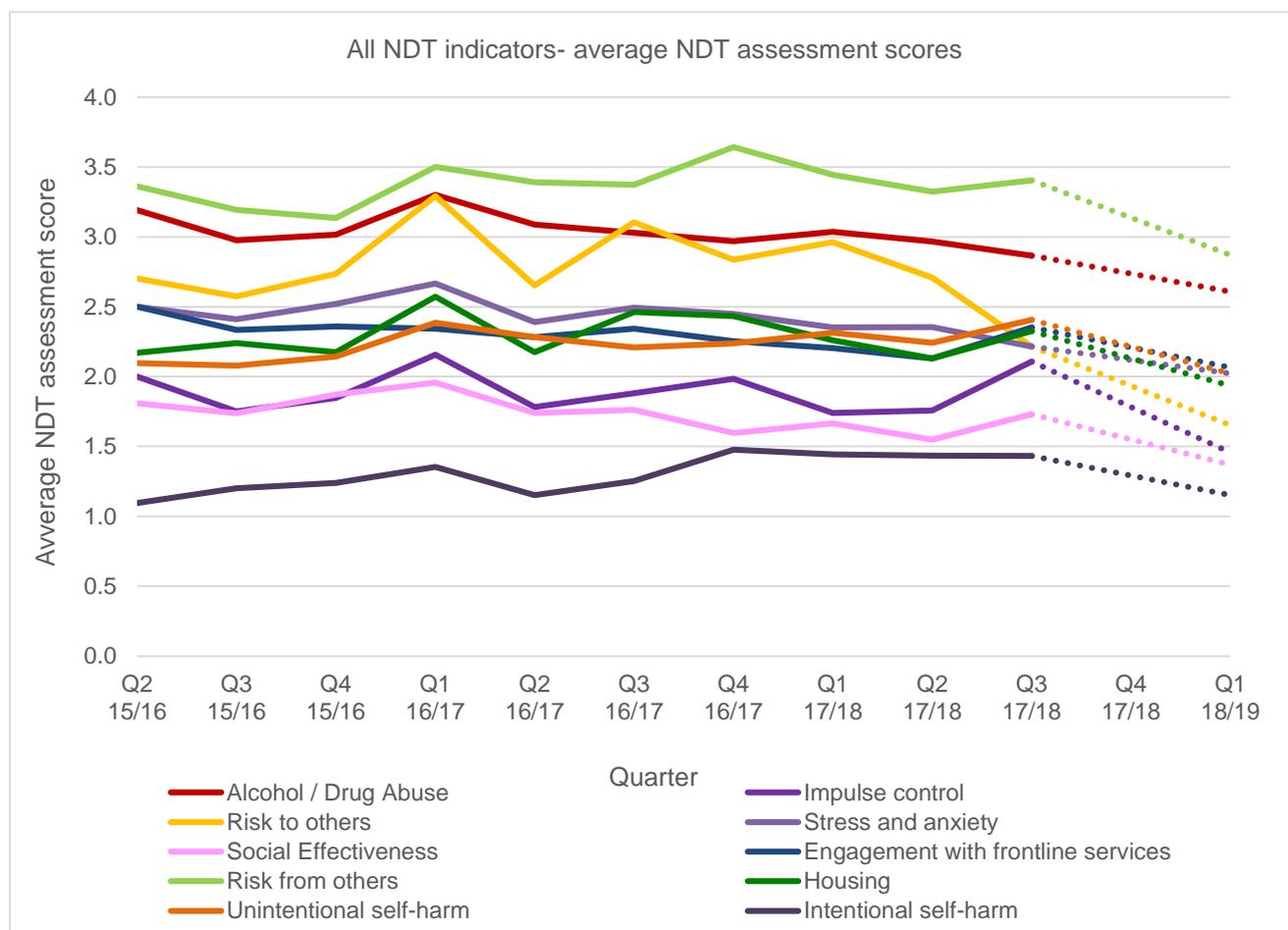

Figure 2: Mean ICM programme member Outcome Star scores by indicator. Note: No data was recorded in Q4 2017/18, therefore all trend lines from Q3 2017/18 are dotted to reflect the missing data point.

Change by Duration of Engagement

3.3 There appears to be the need for long term engagement in the project to have significant effects (see Figure 3). With significant increases in scores not seen until after the person has engaged with the ICM programme for more than 12 months (*p*<.001). Then a further significant improvement is not seen until individuals have engaged for more than two years (*p*<.01). Programme members

who were engaged for more than two years (or eight quarters) improving by 26% over the period, as opposed to those who are in the programme for 6 months or less (two quarters) showing an average improvement of 7.2%.
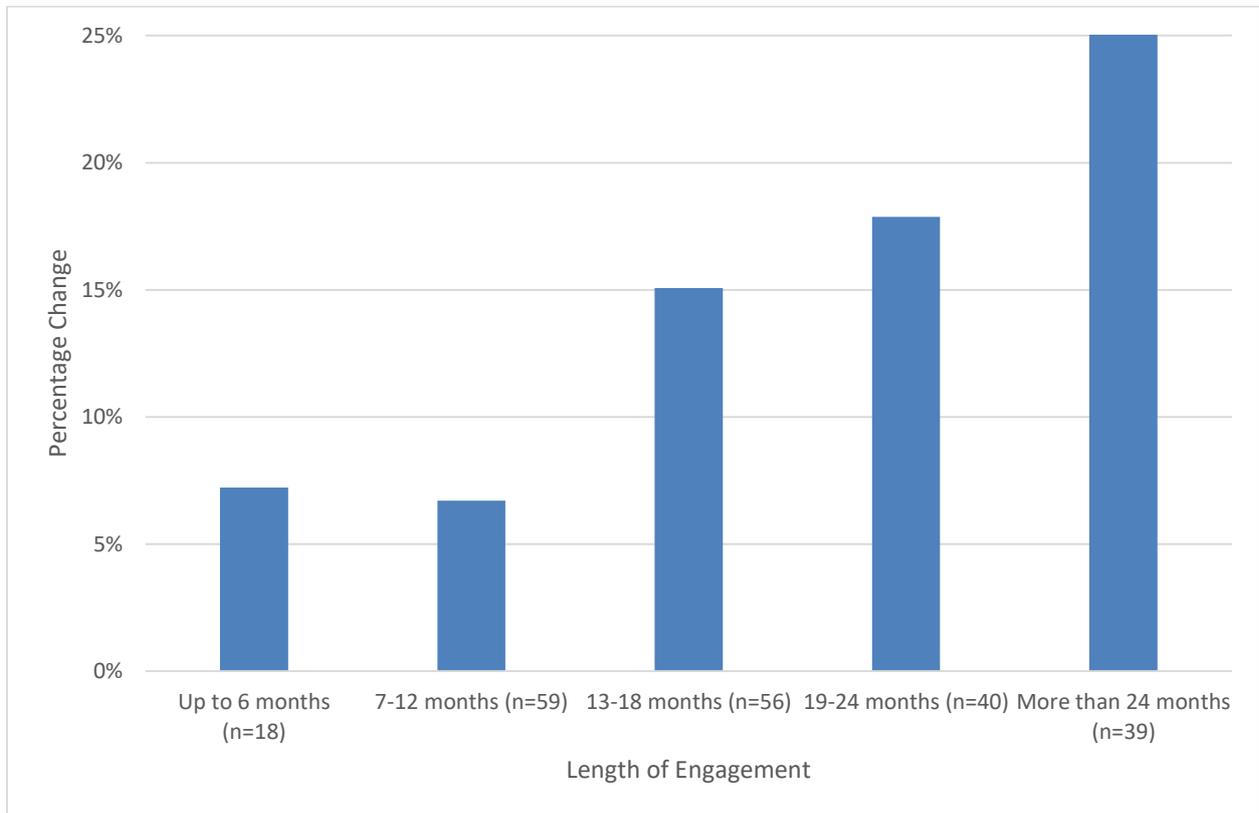

Figure 3: Mean percentage change in Total Outcome Star Score by length of engagement with the ICM Programme. Data included from Q2 2015/16-Q2 2018/19

3.4 ICM programme members who engage for a longer period also see a greater degree of improvement in their NDT assessment scores, with those engaged for 2 years or longer seeing a 9.2% decrease in their chaos index score. In contrast to the Outcomes Star scores, which saw a dip for those engaged for 6-12 months, NDT assessment scores improve steadily with length of engagement. This further supports the evidence that engagement with ICM should be encouraged for as long as possible, as members clearly see a greater improvement in outcomes the longer they remain in the programme (see Figure 4). However, this does not reach the increase threshold for being statistically significant (p=.179).
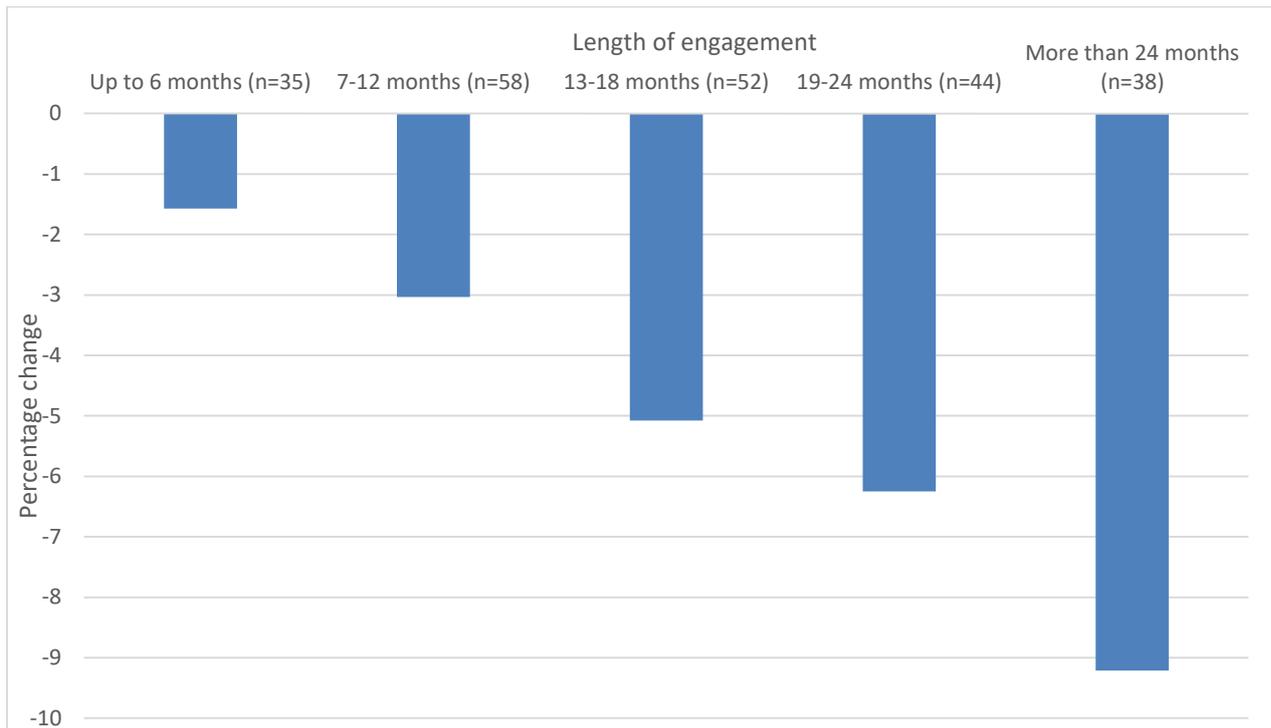
Figure 4: Mean percentage change in Total NDT Assessment Score by length of engagement with the ICM Programme. Data included from Q2 2015/16- Q2 2018/19

Education, Training and Employment

3.5   A key element of the ICM programme is to support programme members into meaningful education, training and employment where possible. Shelter are working with Back on Track, a Manchester charity that works with disadvantaged adults to make positive changes to their lives, to provide meaningful work and training opportunities including volunteering, work experience and Level 1 and 2 qualifications. Over the course of the ICM programme, there have been 209 recorded education, training or employment activities by programme members (see Table 2).

3.6   140 activities have been completed (67% of those started), including 101 learning and skills courses. Furthermore, 17 education and training qualifications have been gained over the course of the ICM programme. Of the 209 activities started, there have only been 11 (5%) that have been recorded as not completed, with an outcome not recorded in 44 cases (21% of starts). This may be because the outcome of the activity is unknown, or the activity is ongoing.

Table 2: ICM programme members in educations, training or employment opportunities by the type of activity

Type of activity	Outcome				
	Completed	Completed - qualification gained	Not completed	Outcome not recorded	Total
Education and training qualifications	10	17	1	8	36
Employment	6			5	11
Learning and skills	101		4	14	119
Volunteering	19		6	14	39
Work placement	3			1	4
Total	**139**	**17**	**11**	**42**	**209**

3.7 There have been 39 starts on volunteering activities over the course of ICM, of which 19 have been completed. The type of volunteering activity that programme members were involved in have been wide ranging and include activities such as gardening and helping to deliver charity fundraising events.

3.8 The volunteering activity reflects the ICM commitment to co-production of services with members and those with lived experience of multiple and complex needs. Examples of activities that the programme members have been involved in include participation in the Women's Voices group (a group of those with lived experience working to make services work better for women), the ICM Core group (which influences the way services are delivered), as well as peer mentoring, allowing those with lived experience of multiple and complex needs to help those from a similar background[7].

3.9 Programme members have also started 36 education, training or employment activities. The majority of participants have enrolled on Level 1 courses, which are typically entry level courses, while around a quarter of those enrolled have participated in Level 2 courses (see Table 3).

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[7] For more information, see Inspiring Change Manchester, Co-Production

Table 3: Participants in Level 1 or 2 education, training or employment opportunities by level of qualification

Qualification Level	Number of participants
Level 1	28
Level 2	8
Total	**36**

Cost Consequence Analysis of the ICM Programme

3.10 The cost-consequence analysis estimated a potential annual saving of over £550,000 is made as a result of changes in how programme members engage with services whilst on the ICM programme. This figure includes potential cost reductions to public services as well as public value generated by improvement in wellbeing experienced by programme members.

Savings to public services

3.11 The cost-consequence analysis models the potential savings to public services across the course of the ICM programme to date. The analysis reveals a positive potential financial impact of ICM on housing services, health services and drug and alcohol services (see Table 4) as a result of a proportionate reduction in evictions, hospital admissions, mental health inpatient admissions as well as a reduction in use of face-to-face drug and alcohol services.

Table 4: Potential savings to public service areas over the ICM programme to date.

Public service area	Potential cost reduction*
Housing (evictions)	£20,759
Health services (hospital admissions and mental health inpatients admissions)	£58,537
Drug and alcohol services (face-to-face services)	£8,343
Total	**£87,639**

*The analysis includes a 10% deadweight to reflect the fact that people may have used these services less without the ICM programme intervention.

3.12 The analysis estimates that the ICM programme has potentially saved around £88,000 to public services over the course of the programme, in terms of a

reduction in use of more costly, reactive services. Due to the nature of the cost-consequence model, it is not possible to describe whether or not the cost reductions would ever be cashable and allow the reallocation of resources as a result of the changes to demand.

Wellbeing

3.13 The analysis estimates that the increases seen in Outcome Star Assessments potentially generates around £394,000 in public value benefit over the course of the ICM programme (see Table 5), with reductions in isolations providing the largest potential public value benefit. It must be noted that public value benefits are never 'cashable' for any one agency as they are just benefits that are seen by 'the system' as a whole, therefore this money will never be applied to service budgets to reallocate resources or decommission services.

Table 5: Potential public value benefit of improvements to wellbeing over the ICM programme to date

National Accounts of Wellbeing outcome	Potential public value benefit
Reduced isolation	£208,224
Positive functioning (autonomy, control, aspirations)	£85,739
Emotional well-being	£100,029
Total	**£393,992**

Education, training and employment

Qualifications

3.14 The public value benefit of gaining a qualification is derived from the annual earnings gain that a person would be expected to accrue after gaining the qualification, on top of any qualifications they may previously have achieved. For example, the public value benefit of a Level 2 qualification considers the amount more someone qualified to Level 2 would earn across their lifetime than someone qualified to Level 1.

3.15 It should be noted that the analysis indicates fewer qualifications gained than suggested in Table 2 because some members of the ICM programme have completed more than one course. For example, some people have completed Level 1 courses and then gone on to complete Level 2 courses. In this situation

the analysis would only consider the public value benefit of gaining the Level 2 qualification.

3.16 Therefore it is possible to estimate that the qualifications gained by members of the ICM programme have generated a total of £2,860 in public value benefit (see Table 6), with the annual public value benefit per programme member outlined in Table 2.

Table 6: Potential public value benefit of qualifications gained over the ICM programme to date. No deadweight has been applied as it is assumed that none of the members would have gained qualifications outside of the ICM programme.

	Annual public value benefit of gaining one qualification	Number of individuals gaining qualifications	Total
Level 1 qualifications	£356	8	£2,851
Level 2 qualifications	£502	4	£2,008
Total		**12**	**£2,860***

*Corrected to account for people who completed more than one level of qualification

<u>Volunteering</u>

3.17 Using the HACT Social Value Bank figure for the social value of regular volunteering, the social value generated as a result of the volunteering activities completed by ICM programme members whilst engaging with the programme is estimated to be over £62,000 (see Table 7).

Table 7: Social value generated through the volunteering activity of ICM programme members whilst engaging with the programme

Number of regular volunteering opportunities started/ ongoing/ completed	Average social value of volunteering per person	Total social value generated by ICM volunteering*
24	£3,250	£62,200

*This figure includes a deadweight of 19% of people who would have engaged in volunteering activity without the ICM programme, as applied by HACT. Regular volunteering figure derived by removing one-off volunteering activities such as MacMillan Coffee Morning from the data.

4. Discussion

4.1   The findings of the statistical analysis and cost-consequence modelling of the ICM programme illustrates that it has a number of positive benefits. Positive changes are seen in programme members across a wide range of indicators of wellbeing over their engagement with the programme. A number of fiscal benefits have been identified as a result of activity and improvements in wellbeing found by the programme members.

4.2   The results show that the biggest areas that programme members felt that they had developed skills or shown a positive improvement were linked to accommodation, managing their money and making meaningful use of time. However, positive improvements were seen across all measures, with larger scale improvements being seen for ever additional year that a person has engaged with the programme.

4.3   Fiscal benefits were generated as a result of the changes seen in people engaging with the ICM programme, including the fiscal benefits associated with employment, training and education as well as changes to the way people accessed public services and increased feelings of social wellbeing. Whilst the cost-consequence model does not consider the 'cashability' of these figures, the fiscal benefits of social wellbeing and employment, training and education are never 'cashable' for any one agency as they are just benefits that are seen by 'the system' as a whole. Therefore, this money will never be applied to service budgets to reallocate resources or decommission services.

4.4   Due to the ICM programme being a learning project across 8 years, it is intended that the learning will become embedded across services and rather than be recommissioned in its current format. It is therefore recommended that Shelter now complete more targeted research into the effects of elements of the ICM programme to provide an evidence based to inform the potential future recommissioning of these elements in their own right.

5. Conclusion

5.1 The evaluation of the ICM programme shows that the programme is most effective when people are engaged with the programme for more than a year, therefore keeping people effectively engaged with the programme is likely to have the greatest positive outcome. This is something that Shelter have already recognised and have moved towards a 'membership' model where people remain subscribed to the programme rather than having to re-enter the service. Shelter have recognised that this is likely to be a barrier to engagement and the present findings would support this approach.

5.2 The public value benefits generated from ICM members engaging in employment, training and education are key areas to target in the future and would be a good candidate for future, more specific research. The improvements to wellbeing seen by ICM programme members also illustrate the both the financial benefits as well as the ethical need to support people with complex needs and/or lived experience.

5.3 ICM is unlikely to be recommissioned in the same way again, it is now important that work focuses on the key areas of success to provide an evidence based that will allow the most effective services to be recommissioned in the future.

Chapter 3: Housing First: The Inspiring Change Manchester Model

Evaluation of financial and economic impact

1. Introduction

1.1 It is recognised that many people who are homeless have high and complex needs[8]. Housing First is an approach to addressing homelessness in people with high needs who have experienced entrenched or repeated homelessness[9]. The approach prioritises the access to stable, independent accommodation to provide a platform from which people can access support and address any difficulties that they might be experiencing[10].

1.2 The Housing First model was developed in the United States of America, where high levels of success were demonstrated in resolving both homelessness and the complex, wider needs which give rise to homelessness[11]. It has since been adopted by a number of European countries, demonstrating positive results with regards reducing homelessness, improving health, wellbeing and social integration[12].

1.3 Since 2016, a Housing First model has been piloted as a discrete element of the Inspiring Change Manchester (ICM) programme. The ICM pilot of Housing First works with a small sub-cohort of those engaged on the wider ICM programme. Members of the ICM Housing First programme are experiencing long term or recurrent homelessness and at least two of the following vulnerabilities:

- Mental ill health
- Substance misuse
- Frequent involvement in the criminal justice system.

1.4 The Greater Manchester Combined Authority Research Team (GMCA) (formerly New Economy), were commissioned by Shelter to undertake cost benefit analysis (CBA) of the ICM Housing First model. This would involve consideration of both the financial and economic case for ICM Housing First, ensuring that potential fiscal savings to the public purse are examined, in combination with a broader appraisal of 'public value'.

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[8] Pleace, N., & Quilgars, D. (2017). *The Inspiring Change Manchester Housing First Pilot: Interim report.* York: University of York.

[9] McKeown, S. (2008). *Good practice: Briefing. Housing First: Bringing permanent solutions to homeless people with complex needs.* London: Shelter.

[10] Homeless Link (2017). *General Election 2017: Manifesto round up.* London: Homeless Link

[11] Hirsch, E., Glasser, I., D'Addabbo, E., & Cigna, J. (2008). *Rhode Island's Housing First Program Evaluation.* Retrieved from https://shnny.org/uploads/Supportive_Housing_in_Rhode_Island.pdf

[12] Housing First Europe (2017). *1.4 The Evidence for Housing First.* Retrieved from http://housingfirsteurope.eu/guide/what-is-housing-first/the-evidence-for-housing-first/

2. Methodology

2.1 Data collected between 1 April 2016 and 31st March 2018 was analysed for the purposes of this report. At the end of the pilot period there were 21 people who were engaging with the ICM Housing First programme, all of whom had been engaging with the programme for at least 12 months. Since the start of the pilot period, no one had left the ICM Housing First programme. For elements of the analysis, comparisons have been made between the ICM Housing First programme members and 204 people engaged on the wider ICM programme. This has been used to help understand the added value of ICM Housing First as opposed to a more generic service.

2.2 Data collected by ICM's practitioners has been collated by Shelter on the M-Think system and then securely emailed to GMCA for the purposes of analysis. 18 outcome measures were identified by Shelter as indicators of service usage by ICM Housing First programme users. ICM Members engaged on Housing First were asked to describe how many 'contacts' they had with services on a quarterly basis. In some cases, members of the ICM Housing First programme were asked to clarify the duration of an ongoing contact (for example, by counting nights spent in police custody or as part of a hospital inpatient admission). The 18 outcomes counted were the same as those used to monitor the service usage of the broader ICM programme

2.3 One of key aims of the ICM Housing First programme is to change patterns of service use across six public sector areas: physical health, mental health, criminal justice, substance misuse, unemployment and homelessness. The 18 outcomes can be directly associated with one of five priority areas with the exception of unemployment where data is not available (see Figure 5). Changes to each of these outcomes is used as an indication of change in service level usage in the relevant area.
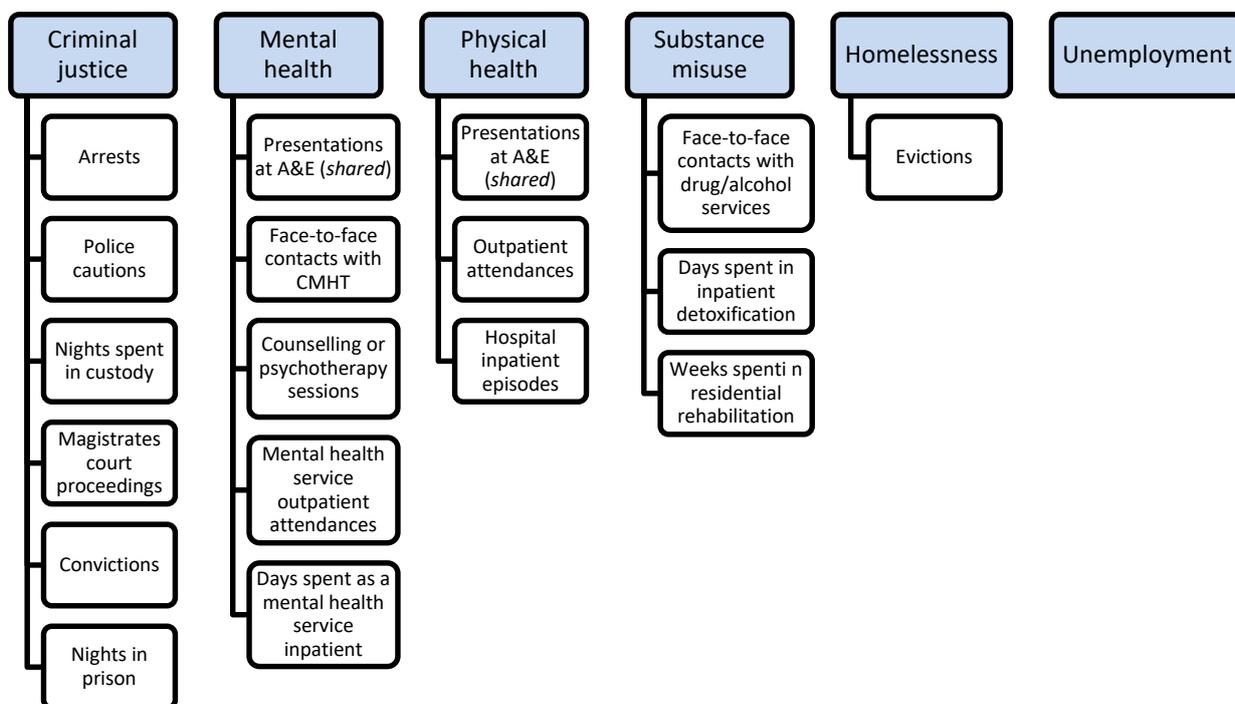
Criminal justice	Mental health	Physical health	Substance misuse	Homelessness	Unemployment
Arrests	Presentations at A&E (*shared*)	Presentations at A&E (*shared*)	Face-to-face contacts with drug/alcohol services	Evictions	
Police cautions	Face-to-face contacts with CMHT	Outpatient attendances	Days spent in inpatient detoxification		
Nights spent in custody	Counselling or psychotherapy sessions	Hospital inpatient episodes	Weeks spent in residential rehabilitation		
Magistrates court proceedings	Mental health service outpatient attendances				
Convictions	Days spent as a mental health service inpatient				
Nights in prison					

Figure 5: Association of Shelter's 18 outcomes with relevant public sector areas

2.4   For comparisons between programme members of ICM Housing and the wider ICM programme, a mean score is calculated for each person on each outcome indicator; this is an average of all available quarterly scores for each indicator.

2.5   For the CBA, it was decided to perform the analysis against the programme members' highest number of contacts with each service outlined in the 18 outcomes. This was because the average number of contacts recorded at the start of engagement with the ICM Housing First was relatively small (between 0 and 4 contacts for each of the 18 outcomes) when compared with the average highest score (between <1 and 21 contacts) with significant variation between individuals. Given the complex nature of the service users that Housing First is targeted, it was felt that the initial scores were not a true representation of service demand and were more likely to represent a period of relative stability which has allowed for initial engagement on the programme. Therefore, the programme users' highest score is used as an indication of service use for the CBA.

2.6   Unit costs were then attributed to each indicator change where applicable. Most unit costs (e.g. drug and alcohol dependency and housing evictions) were derived from the GMCA research team's HM Treasury-approved unit cost database, reflecting service expenditure in the case of an 'average' service user

contact. Some bespoke unit costs (e.g. relating to the cost of accommodation) were taken from Pleace and Culhane (2016)[13].

2.7 Calculated costs of the ICM Housing First programme is calculated to be £225,000 per annum. 57% of costs are attributed to Shelter via the Big Lottery Fund Costs and are largely comprised of staffing costs (estimated to be £106,500), including support staff, a Development Officer, a Team Leader, and a proportion of the ICM Development Manager's capacity (estimated in pro-rata based of the estimated proportion of the working week spent on the ICM Housing First programme). For each of these staff members, direct reference to basic salary, national insurance, and employer-supported pensions are included in the CBA model. Additionally, £4,500 required to deliver an education, training and employment offer to programme members and £18,000 for a 'flexible fund' (<£1,000 per client) made available to resource the additional forwards expenditure. No costs are attributed to volunteer/staff expenses.

2.8 A further £96,000 is attributed to the Department of Work and Pensions (DWP) for payment of Housing Benefit. There are offset costs to the DWP calculated as £53,000, due to the reduction in Housing Benefit paid to eight members of the ICM Housing First programme who were in temporary or supported accommodation prior to engaging with the ICM Housing First programme. Supported and temporary accommodation rents and service charges are higher than in 'general needs' accommodation, and residents are receiving support as well as their accommodation; therefore a reduction in costs associated with moving someone into their own accommodation has been considered. The other 13 members of the programme were either street homeless or 'sofa surfing' prior to engaging with the ICM Housing First Programme. No offset costs have been applied to these individuals as they were not as likely to be claiming Housing Benefit and no data was available to inform the level of engagement programme users had with support workers prior to engaging with the ICM Housing First service. However, for those who were street homeless, there is a likely cost saving associated with reduced use of street outreach teams.

2.9 Additionally, the CBA model has explored impact upon the wellbeing of the ICM Housing First programme members to support a wider public value benefit. The analysis has explored social wellbeing through three dimensions: reduced isolation, positive functioning (autonomy, control, aspirations) and emotional wellbeing. These indicators are derived from a the outcome star measures recorded by Shelter and mapped onto a typology developed by the New

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[13] Pleace, N., & Culhane, D. P. (2016). *Better than cure? Testing the case for enhancing prevention of single homelessness in England.* London: Crisis.

Economics Foundation as part of the National Accounts of Wellbeing (see Table 1).

3. Findings

Cost Benefit Analysis

Fiscal Case and Cashability

3.1 Having considered the respective costs and benefits of the ICM Housing First programme, the net saving to public sector budgets as a result of the intervention is estimated to be £279,000 over five years. None of these savings are recovered by Shelter itself; rather these benefits will be experienced by partners in health and social care, the criminal justice system, and wider local government.

3.2 The overall financial return on investment for the intervention is calculated as 1.60; meaning that for every £1 invested in ICM Housing First across the model, it was estimated that £1.60 of gross fiscal savings are created as a result of the intervention. The payback period for this intervention is 3 years, suggesting that the intervention will have created more benefits than costs within the third year of delivery.

3.3 However, the short-term cashable return on investment for ICM Housing First is calculated to be 0.52; meaning that it is unlikely to be possible in the short-term to reduce budgets for frontline services as a response to this changing use. This is also the case in the longer-term, as the large-scale cashable return on investment is 0.98. This means that whilst overall the programme will save the combined public purse money, this is unlikely to ever realistically affect the budgets of individual partner agencies at the current programme scale (i.e. with such small numbers engaged with the programme).

Service-specific impacts

3.4 Costs and savings were modelled against a number of relevant public agencies to understand the financial impact of changes in the use of public services by ICM Housing First programme members (see Figure 6). As a result of these changes in services usage, fiscal savings are calculated for the NHS, the criminal justice services, local authorities and housing providers. The NHS are calculated to be the greatest fiscal beneficiary within the CBA model.
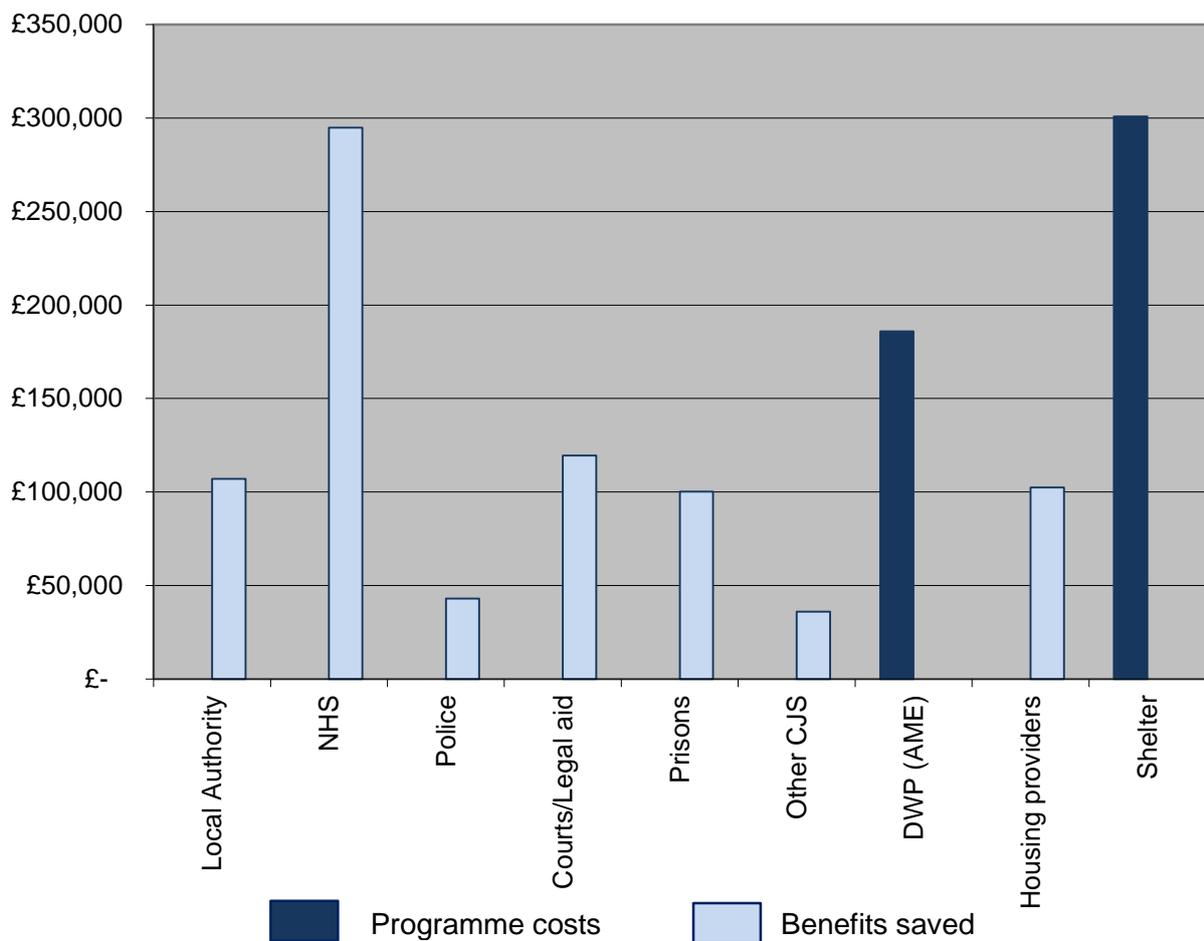
Figure 6 – The distribution of programme costs and benefits saved across public sector partners

3.5   A score was calculated for each programme member of both the ICM Housing First and wider ICM programmes of service use across each of the 18 outcome indicators. This was then weighted dependent on the number of quarters that the person had engaged with the relevant programme. Statistical analysis comparing the scores of the ICM Housing First programme members with those engaging with the wider ICM programme revealed statistically significant differences in 6 of the 18 outcome measures:

- Increase in the number of nights spent in police custody ($p<.001$)

- Decrease in the number of nights spent in prison ($p<.05$)

- Decrease in the number of presentations at A & E ($p<.05$)

- Increase in the number of inpatient hospital episodes ($p<.001$)

- Decrease in the number of days spent as a mental health inpatient ($p<.05$)

- Increase in the number of contacts with drug and alcohol services ($p<.05$)

Public Value and Social Wellbeing

3.6   As well as direct costs and savings seen to relevant public agencies as a result of the intervention, CBA will also calculate the likely changes in wider public value and provide a monetary value to any changes seen. The relative public value created by the changes in social wellbeing experienced by programme members of the ICM Housing First intervention, creates a net present public value of approximately £464,000 over five years. The Public Value Return on Investment is calculated to be 2.05 i.e. greater value than cost is created. It must be noted that public value benefits are never 'cashable' for any one agency as they are just benefits that are seen by 'the system' as a whole, therefore this money will never be applied to service budgets to reallocate resources or decommission services.

3.7   Three elements social wellbeing were analysed to assess the impact of ICM Housing First; these related to the reduction of isolation, positive functioning (including autonomy, control and aspirations) and emotional wellbeing. Housing First programme members demonstrated a statistically significant improvement across all three metrics during their time engaging with the programme (all $ps<.001$) (see Figure 7). Whilst an improvement was also seen in the wider ICM programme members, this improvement was significantly bigger in the programme members on ICM Housing First than the improvement measured in the wider ICM cohort (all $ps<.001$) (see Figure 8).
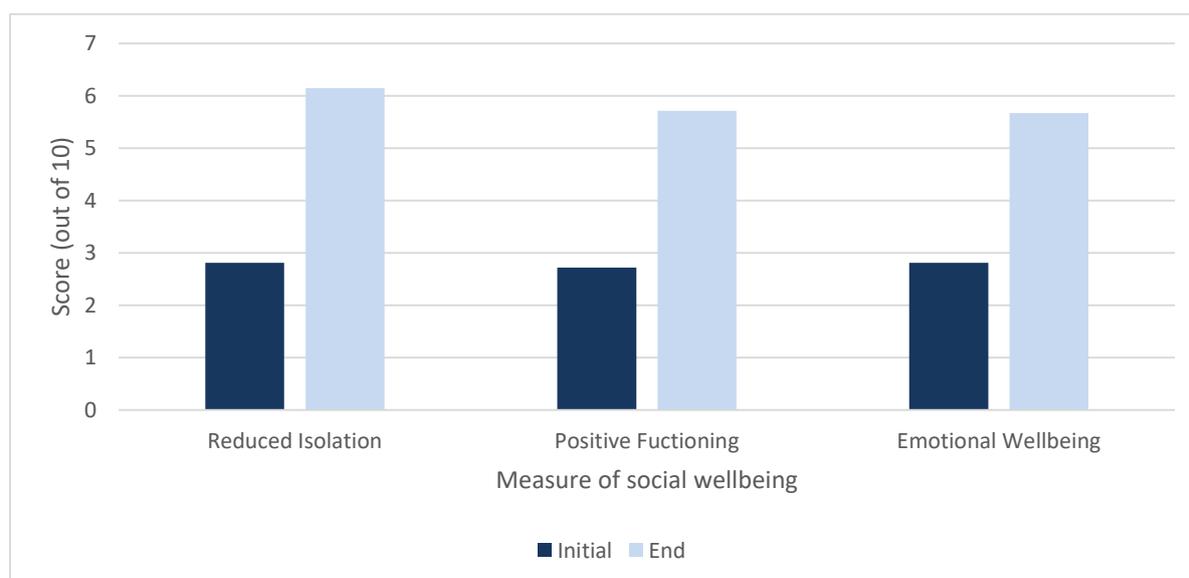

Figure 7: Difference between the initial and end scores on measures of social wellbeing for members of the ICM Housing First Programme
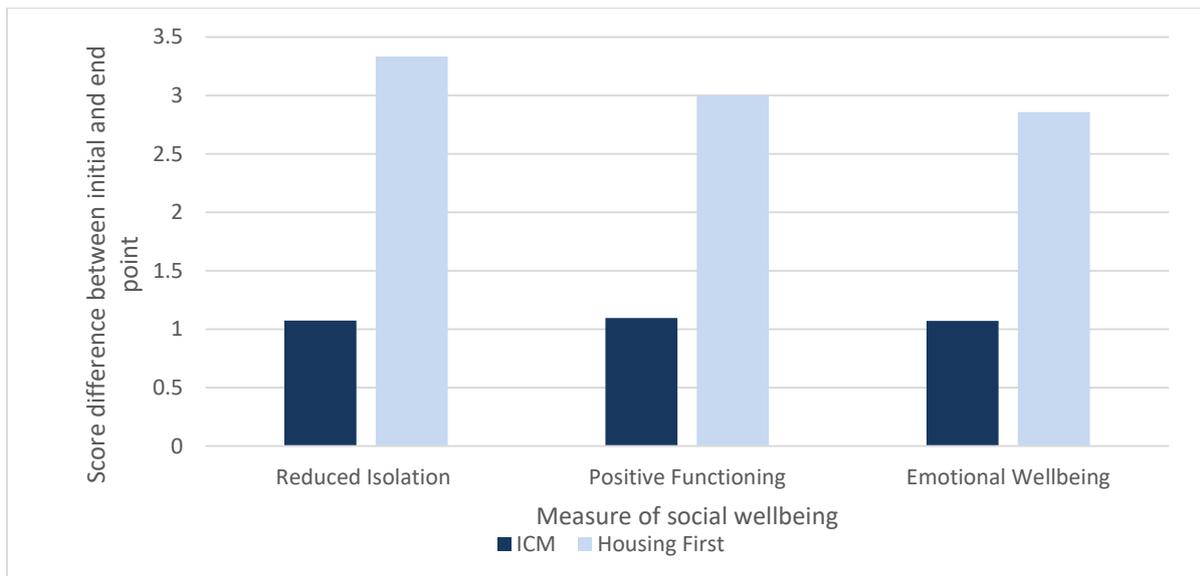
Figure 8: Comparison of the difference in social wellbeing scores between ICM and Housing First Programme Members

3.8 It is notable that the average scores on all three domains were lower at the point of first measurement among the ICM Housing First programme users than peers in the wider ICM programme. However, the average final wellbeing scores of the Housing First cohort are greater than the average final wellbeing scores of the ICM cohort. This suggests that Housing First has a disproportionately positive effect on the wellbeing of the programme members when compared to members on the wider ICM programme.

4. Discussion

4.1 The CBA of the ICM Housing First programme suggests that there is a positive financial saving to be made to the public purse overall, with the largest fiscal savings being modelled against the NHS, criminal justice system and Local Authorities. However, because of the small scale of the programme and the savings as a result of change in service demand is spread across a number of partners, this saving is unlikely to be available in service budgets in either the short or the long term. However, there are a number of clear benefits of the programme when compared to the wider ICM programme that make it a worthwhile consideration for future investment.

4.2 The members of the ICM Housing First programme show a significant improvement in social wellbeing and this improvement is disproportionately greater than the improvement seen in users of the wider ICM programme. This suggests that ICM Housing First has added value to wellbeing than the ICM programme alone.

4.3 Changes in service use also illustrate some of the benefits of the ICM Housing First programme in a number of the identified relevant public sector areas. Decreases in the number of nights spent in police custody may reflect the fact that having a stable address means that the individuals can be released on bail rather kept in police custody. Decreases in the number of A & E presentations, alongside increases in the number of inpatient hospital episodes may suggest a more effective use of health services. A decrease in the number of days spent as a mental health inpatient may be an indication that having stable housing increases acute mental health stability, reducing the need for inpatient admissions; this is supported by similar levels in both contacts with Community Mental Health Teams and outpatient appointments seen by both the wider ICM and Housing First programme members. Finally, increase contacts with drug and alcohol services may indicate a change in behaviour allowing people to start to address their substance misuse difficulties.

4.4 The implications of these findings are that while the cost savings are not 'cashable', this does not mean that the intervention has not been a success. The longer term benefits to the individuals on the ICM Housing First programme, such as fair and equitable access to services, with the ability to gain meaningful, long term support (such as therapy or drug / alcohol treatment) rather than short term treatment of crisis (such as interventions that will be available at A & E departments).

4.5 There are a number of caveats and limitations to the results provided in the current report and as such the results should be treated with caution. Firstly, the results are based on a small number of individuals with very complex and varying needs. It is therefore difficult to draw clear conclusions about the cohort or how the findings can be applied to other people on a wider scale.

4.6   Secondly, the findings are based on both self-report measures, contacts from professionals in other services and contacts with other services that are recorded on the GM-THINK database. These are collected on a quarterly basis. There are likely to be limitations to this data. It is recommended that a more formalised way to collect this data is used in any future evaluation.

4.7   Thirdly, due to the complex needs of the programme users, it was difficult to decide what point in a person's engagement with the ICM Housing First programme would be most appropriate and reflective of the cohort's true behaviour, in order to compare this with their behaviour at the latest point of engagement. The decision was taken to consider service use at a point of crisis, where the programme member had high involvement with services compared to the end point. This was felt to be a better reflection of service use than a comparison of start and end points, as all 21 ICM Housing First programme members appear to have been relatively stable on first joining the programme; this would be expected and is therefore unlikely to be a reliable baseline to for comparison of service use. This may mean that the results either over-estimate or underestimate the true level of change in service use. To counterbalance this, a full sensitivity analysis has been conducted which considers a more conservative change in service use as well as one which would suggest the peaks in demand reported by programme users are under estimations of the true level of service use. The full sensitivity analysis can been seen in Appendix A.

4.8   Finally, as the CBA model is a predictive tool and the findings presented in this report are based on short term (a maximum of two years), self-reported data from a small sample size, the findings should be interpreted with caution. However, it should also be appreciated that in reality there is little that can be done to rectify the small sample size due to the nature of the target population being relatively small and the investment in even a small number of programme users being relatively large.

4.9   There are a number of opportunities to enhance research around the ICM Housing First model. Much of the research on demand reduction to date has focused on self-testimony (including this piece of work). It would benefit Inspiring Change Manchester to explore opportunities to match records for their service users against the records of public sector agencies to examine whether the self-described demand reduction is reflected by services. Additionally, many of the assumptions and estimations made in the course of this analysis would be well-supported by qualitative research. Interviews with both programme members and practitioners would support an enhanced understanding of why ICM Housing First achieves improved outcomes for programme members. They may also serve as a useful bridge into future co-design and co-production with commissioners.

5. Conclusions

5.1 The findings of the CBA reveal that as a result of the way that ICM Housing First members have changed the way in which they access service during their time that they are engaged with the programme provides a fiscal benefit to a range of public sector organisations. However, given the small numbers engaged on the programme, it is unlikely that the fiscal benefits seen will ever be able to be considered in budget planning either in the short or the long term.

5.2 There is no clear agency for whom there is a strong financial case for single investment, therefore for future investment in Housing First, it is recommended that a partnership-led approach to any future commissioning is considered. A joint approach by partners from the criminal justice system, health and social care, and housing is likely to create a number of benefits for all.

5.3 Given the limitations of the sample cohort, caution must be exercised when interpreting these results. However, in reality it would always be difficult to access a sample of programme members who were an accurate representation of people with long term or repeated homelessness with complex needs, because of the vast differences of experience and reactions to those experiences.

5.4 Overall, alongside the fiscal benefits seen, the significant increase in social wellbeing, suggests that ethically the intervention provides a good case for reinvestment.

Chapter 4: Shelter Manchester: Inspiring Change Manchester Local Evaluation

Discussion Points and Concluding Remarks

1.1   This piece of evaluation aimed to consider the wider impacts of Shelter Manchester's Inspiring Change Manchester programme, as well as a more specific consideration of the ICM Housing First model. Both of these have been considered individually in this report.

1.2   Due to the significant level of investment by the Big Lottery, in reality the wider ICM programme is unlikely to be recommissioned in its current format. Therefore it is vital that more specific piece of research are completed into the elements of the programme that have the most effect and can be recommissioned as services in their own right. The findings of the current research demonstrate the importance of long term engagement with the service provides the best outcomes for programme members.

1.3   Given the fiscal benefits that were found to be associated with completing activities relating to education, training and employment, it is recommended that Shelter consider a more in depth evaluation of the Getting Real Opportunities out of Work (GROW) Traineeships to understand the wellbeing and fiscal benefits of this programme of work. Due to the limited data currently available, it is not possible to evaluate the benefit of these Traineeships in the present report. It is recommended that Shelter also focus on other schemes and support packages that they currently offer to programme members to help support people into education, training and employment.

1.4   The CBA of the ICM Housing First programme reveals fiscal savings to a range of public sector organisations as a result of the way that the programme members access these services. However, these benefits are unlikely to be cashable to any one service in either the short or longer term based on the current model. Moving forward with the Housing First project it is recommended that service use is measured through more formal methods of data collection. This would allow for more accurate data analysis.

1.5   Both the wider ICM programme as well as the ICM Housing First programme demonstrate the social wellbeing benefits to programme members of engaging with the support services. As well as supporting the ethical case for supporting people with complex needs and / or lived it experience, this also has a fiscal benefit to society as well. The improvements to personal wellbeing should not be overlooked as they are likely to be linked to motivation to change behaviour, which is likely to be one a significant factor in people engaging with support services longer term, which this evaluation shows has the greatest effect.

1.6   Shelter Manchester are clearly doing some excellent work with some of the most vulnerable people in society and are clearly making some very positive impacts on these people's lives. The evaluation of the next stage of the ICM model should focus on recommissioning of smaller pieces of work going forward, with a particular focus on the impacts of social wellbeing on programme members.

Appendix A: Sensitivity Analysis

Whenever a CBA is completed, it is helpful to test the key findings with a 'sensitivity analysis'. This can give commissioners and stakeholders a sense of how different the results might be if one or more key elements of the analysis were altered. For the ICM Housing First model, two alternative scenarios were tested, to provide (i) a more optimistic modelling of benefits; and (ii) a less optimistic modelling.

The sensitivity analysis showed that the most optimistic view of the success of the project (Scenario 1) suggest the potential to save £1.3m in gross fiscal benefits over five years. This is, however, unlikely, and a more pessimistic view of its success (Scenario 2) would suggest it does not achieve a return on investment. For a depiction of the outcomes of these models over five years, please refer to Figure 5.
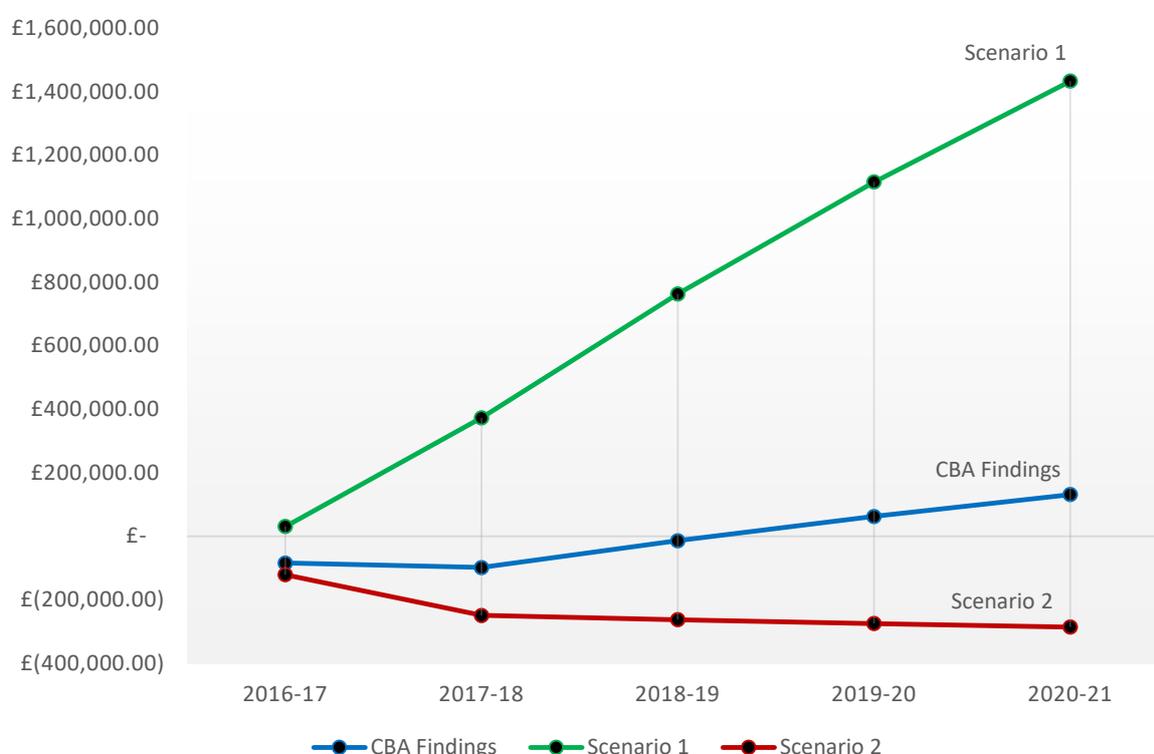

Figure 5 – Net present budget impact of three CBA scenarios

Scenario 1: The CBA model has overestimated the complexity of the cohort at the point that they became programme members of ICM Housing First

This scenario is based on the assumption that the point of 'peak' service usage is not an accurate representation of how complex the client cohort are. Instead, it suggests that it is likely that this 'peak' represents extreme circumstances and that any decline in service usage experienced after engagement on the ICM Housing First represents a natural return to normal patterns (often referred to as 'regression toward the mean').

This scenario is credible because all service users experience fluctuation in need, and this CBA model is unconventional in that it does not assume that regression towards the mean is

the inevitable outcome in a 'do nothing' scenario. If it is assumed that scenario 1 is correct, and that the programme users of ICM Housing First are less complex than as depicted in the main model, then the outputs of the CBA are as follows:

Financial Case

OUTPUT METRIC	FINDINGS	
	SCENARIO 1	MAIN CBA MODEL
NET PRESENT BUDGET IMPACT	-£286,000 extra spending over five years	£131,000 savings over five years
OVERALL FINANCIAL RETURN ON INVESTMENT	0.53	1.21
PAYBACK PERIOD	N/A	4 years

Public Value Benefits

OUTPUT METRIC	FINDINGS	
	SCENARIO 1	MAIN CBA MODEL
NET PRESENT PUBLIC VALUE	-£80,000 value created over five years	£337,000 value created over five years
PUBLIC VALUE FOR MONEY B/C RATIO	-0.28	2.12
PUBLIC VALUE RETURN ON INVESTMENT	0.87	1.55

This model was ultimately rejected in the present analysis because it was felt that the CBA model would more accurately depict ICM Housing First programme members by giving due recognition to the fact that they are an exceptionally complex cohort, and that apparent 'peaks' in service utilisation were in fact most likely a fair reflection of subsequent 'peaks' which would have occurred without the intervention of ICM Housing First.

Scenario 2: The CBA model has underestimated the degree to which there is an opportunity for recovery

This scenario assumes that the appropriate comparison of impact of the ICM Housing First programme is not the members on the wider ICM programme, but rather an ideal in which programme members make much more considerable lifestyle changes. CBA measures impact as a result of the intervention, but also counts a 'deadweight' which is designed to estimate the degree to which positive impacts would have occurred without the test intervention. The main CBA model looks to the experience of the ICM cohort to estimate the degree to which a 'deadweight' existed. This scenario does not use the ICM cohort as a comparison group and

instead suggests that no improvement would have been made in the case of Housing First programme members.

This scenario is credible because the CBA model attempts to capture the total impact of the intervention, and the ICM Housing First cohort are programme members of a specific and bespoke package of support.

However, this model was ultimately rejected because the purpose of the ICM Housing First CBA has been to monitor the additional benefit of the ICM Housing First Programme in addition to the wider ICM programme of work. In the case of ICM Housing First, it was important to include exclusively those reactive cost savings (and proactive costs) which are the direct result of the ICM Housing First intervention.

Financial Case

OUTPUT METRIC	FINDINGS	
	SCENARIO 2	MAIN CBA MODEL
NET PRESENT BUDGET IMPACT	-£1,433,000 spending over five years	-£131,000 spending over five years
OVERALL FINANCIAL RETURN ON INVESTMENT	3.34	1.21
PAYBACK PERIOD	1 years	4 years

Public Value Case

OUTPUT METRIC	FINDINGS	
	SCENARIO 2	MAIN CBA MODEL
NET PRESENT PUBLIC VALUE	£1,639,000 value created over five years	£337,000 value created over five years
PUBLIC VALUE FOR MONEY B/C RATIO	Not applicable (service profitable)	Not applicable (service profitable)
PUBLIC VALUE RETURN ON INVESTMENT	3.68	1.55

The sensitivity analysis has served to show that the main CBA findings are probably the most helpful figures to use in future dialogue on the project's successes. The report's findings must, however, be treated with caution and that further work in this area would be needed with a larger cohort before we can have the greatest confidence in what it will be able to achieve.