

# Representation to the Spending Review 2015

Making Every Adult Matter (MEAM) is a coalition of Clinks, Homeless Link and Mind, formed to improve policy and services for people facing multiple needs. This representation to the Spending Review sets out our case for a national focus on individuals with multiple needs.

We are making it based on commitments made in the 2014 Autumn Statement and March 2015 Budget, as well as conversations with senior officials from the Treasury, Department for Communities and Local Government, Department of Health, Ministry of Justice, Department for Work and Pensions and the Number 10 Policy Unit since that time.

A national focus is supported by a range of third sector organisations and funders.<sup>1</sup> In May this year, MEAM and the Calouste Gulbenkian Foundation published a briefing setting out the case for a new programme, which we build on in this representation.<sup>2</sup>

## Defining the issue

There are 58,000 people in England who face overlapping problems of homelessness, substance misuse and contact with the Criminal Justice System in any one year. Around 55% are diagnosed with a mental health condition, with an estimated 72% self-reporting mental health problems.<sup>3</sup> These individuals 'recycle' around local services without ever getting the help they need, at significant cost to themselves, local communities and the public purse.

While there is a wider group of people who encounter multiple needs – up to 500,000 on some measures – we believe that a new national programme should focus on these 58,000 individuals. The failure to properly support this group leads to the most significant costs to public services, and they are also most likely to be unintentionally affected by the planned reductions in spending.

A national focus on 58,000 individuals with multiple needs would be distinct from, but also complement and support, the Government's expansion of the Troubled Families programme to 400,000 families. This new programme would be similar to Troubled Families in that it would concentrate on the better coordination of existing services. However, it would differ in focusing primarily on savings to criminal justice, health and housing budgets rather than work-related benefits, as we explain later. Also, due to the nature of the cohort, it would require a greater role for voluntary sector agencies, working alongside statutory partners.

The programme could be extended to a wider group of individuals with multiple needs in the later years of this Parliament, based on evaluation of its impact.

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<sup>1</sup> Discussions over recent months have involved MEAM, Calouste Gulbenkian Foundation, LankellyChase Foundation, Revolving Doors Agency and Framework, among others.

<sup>2</sup> Calouste Gulbenkian Foundation and MEAM (2015), [Individuals with multiple needs: the case for a national focus](#)

<sup>3</sup> LankellyChase Foundation (2015), [Hard Edges: Mapping severe and multiple disadvantage](#), pp. 13, 31

## Why act on multiple needs now?

A priority for this Spending Review is to support “innovation and greater collaboration in public services”. There are few areas where this is more necessary than around services for people with multiple needs.

Making Every Adult Matter works with local areas across England which are seeking to provide better support to this group. Based on independent research, we estimate total cost of public spending on this group to fall between £1.1bn and £2.2bn a year.<sup>4</sup> A body of evidence now exists that targeted interventions can realise significant savings against criminal justice, health, and housing expenditure, and more importantly transform the lives of these individuals.

Alongside these costs, frontline practitioners we are working with also point to the less easily measurable impacts of people being excluded from services – on community cohesion and the loss of potential contribution to society.

While some local areas are making progress on better-coordinated interventions, the present national policy environment (defined by funding, outcomes and accountability channels) does not encourage this, instead promoting a culture of siloed working on specific issues within organisational and sector boundaries. This is not sustainable.

The fiscal context around this Spending Review will demand difficult decisions concerning services that people with multiple needs rely on. These decisions will affect the 58,000 people we have identified most heavily, as they are the group most likely to depend on a range of services.

**It is important to note that any national focus on multiple needs is dependent on continued investment in services that work with this population. The case for this is made in separate representations from Clinks, Homeless Link, Mind and Collective Voice and we fully endorse these.**

**In what follows, we will set out how a national focus on multiple needs could ensure that services and agencies across the Criminal Justice, homelessness, mental health and substance misuse sectors work together for the greatest impact.**

## What would a focus on multiple needs look like nationally?

MEAM and the Calouste Gulbenkian Foundation have already published a detailed exploration of how a national focus on multiple needs might work.<sup>5</sup> This representation reflects and updates that document, based on conversations with officials and, through our Voices from the Frontline project<sup>6</sup>, people with lived experience of multiple needs and the practitioners that support them.

In order to design and implement such a programme, a number of issues of policy must be settled. These should be explored in consultation with the voluntary sector, frontline practitioners and people with lived experience. In the following, we set out our initial views.

### Cohort

The programme should initially be directed at the 58,000 people identified at the outset, those who have coexisting issues with homelessness, offending and substance misuse, as well as experience of mental

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<sup>4</sup> *Ibid.*, p. 7

<sup>5</sup> Calouste Gulbenkian Foundation and MEAM (2015), [Individuals with multiple needs: the case for a national focus](#)

<sup>6</sup> For instance, see MEAM (2015), [Solutions from the Frontline](#). For more information on Voices from the Frontline, visit the [project website](#)

health problems. In the later years of this Parliament the programme could be expanded to cover the 164,000 individuals with any two needs.

The broad parameters of the cohort should be defined by central government, with local areas refining the definition based on local data. All areas should be required to ensure that women and people from BAME communities are proactively engaged in the programme, addressing the under-representation of these groups in the national data.

The programme should set out a clear national definition of multiple needs for local areas to work from, and set guidelines for consistently identifying individuals who fall within this definition. This could include using a tool such as the New Directions Team (NDT) Assessment<sup>7</sup>, which uses a range of questions to assess individuals' needs and behaviours and their engagement with services.

### **Aims and outcomes**

The programme would require each local authority area (or group of authorities) to establish a partnership of key agencies – from both the statutory and voluntary sectors – to work together to improve the support for people with multiple needs.

Each partnership would be tasked with achieving a set of outcomes, which should be developed in consultation with a range of organisations, and people with experience of multiple needs. At minimum, they should include:

- Reduction in contact with the police and criminal justice system, and associated costs
- Improved health and well-being, with reductions in health-related costs
- Improved access to suitable housing and independent living (where appropriate)
- Sustainable partnership working between agencies who support people with multiple needs

### **Business case and funding**

The business case for intervention should be built on likely cost savings to government, recognising that these will be spread across departments. A business case for the 58,000 individuals identified earlier will focus on savings from criminal justice, health and housing budgets rather than work-related benefits, as the journey towards work will be a long-term one for many in this group.

The first two years of the programme should be funded from a pooled central budget, with spending allocated from all relevant departments (the Department for Communities and Local Government, the Department of Health, the Home Office, the Ministry of Justice and the Department for Work and Pensions) according to projected savings.

Targeted funding would be allocated to the lead agency in the partnership, which could be a local authority or a voluntary sector provider. This funding should principally be used to ensure effective coordination of existing services rather than delivery of new ones, and to achieve systemic changes that can make these new ways of working sustainable. In this way, the programme would incentivise local agencies to work together more closely on these issues. (We provide indicative costings later on.)

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<sup>7</sup> South West London and St. George's Mental Health NHS Trust (2008), [\*The New Directions Team Assessment \(Chaos Index\)\*](#)

## Design and evaluation

The national programme should allow local areas significant flexibility to design the programme according to their needs, co-producing their response with people with experience of multiple needs, service providers and representatives of the wider community.

The programme should be strongly evaluated from the start. Local partnerships receiving funding would be expected to demonstrate their progress against the agreed outcomes. The payment mechanism should be designed to allow services to work in the most effective way with each individual, recognising that results will take time. In light of this, it may be more appropriate to assess the success of a partnership in achieving high-level outcomes across a local area, rather than evaluating outcomes at an individual level. This would avoid the risks of gaming associated with funding linked to individuals.

An understanding of the cost savings achieved in the first two years would then inform further roll-out, including the feasibility of alternative funding models such as social investment. A nationally agreed approach to measurement and an effective package of learning and support would help local areas develop and improve their approach, as well as assessing the effectiveness of the programme.

In order to ensure that high-quality data is collected, the programme should establish robust principles governing the sharing of data between local agencies (including health services), and give local partnerships a responsibility to report this data on an annual basis.

## Political leadership

Finally, the programme requires Ministerial leadership, with backing across the key departments set out above. To be successful, it is likely to require non-department political leadership; if based within a department, strong governance arrangements will be necessary to ensure individual departments are held accountable.

### The view from the frontline

*“It’s impossible to put a timeline on somebody’s recovery. Everybody’s individual – it could take me two years, it could take him eight years.”*

People with experience of multiple needs and practitioners have told us how important it is that individuals are involved in decisions about the support they receive. If this is to happen, they believe the outcomes local areas are required to achieve must be flexible, realistic and measured over a longer period of time than might be the case for less complex clients.

They also point to the need to recognise relative improvements in people’s health, wellbeing and stability. Some people – for instance, those who have acquired brain injuries or serious chronic or debilitating health conditions – may never make a full recovery. By focusing on improvement and stability, the programme is more likely to help people who stand to benefit most.

More views from people with multiple needs and frontline practitioners can be found in MEAM’s report *Solutions from the Frontline*, cited above.

## What could guide local implementation?

As discussed above, significant local flexibility will be vital to the success of the new programme. Areas should design their own approach according to the needs they identify, including setting specific local outcomes and allocating funds.

In preparing this representation, we have drawn on evidence from areas using the MEAM Approach<sup>8</sup> (our non-prescriptive framework to help local areas design and deliver coordinated services), and held conversations with people with experience of multiple needs and practitioners to understand their views.

In the following table, we suggest some principles that should inform local implementation of the programme; reflect what practitioners and people with experience of multiple needs have told us about why they matter; and set out how a national focus on multiple needs would support them.

Partnership and audit		
<i>What local areas should do</i>	<i>The frontline view</i>	<i>How a national focus could support this</i>
<p><b>Each local area should form partnerships that bring the right organisations together to improve services for people with multiple needs.</b></p> <p>These would include local providers, statutory services such as the police and the NHS, individuals involved in commissioning (including Councillors and local authority budget-holders) and people with personal experience of a range of needs.</p>	<p>Practitioners we spoke with pointed to the importance of an equal partnership between statutory and voluntary sector agencies.</p> <p>Without the former involved, achieving buy-in from other statutory agencies is likely to be difficult; equally, though, without the active support of the latter, interventions are unlikely to be effective.</p>	<p>MEAM’s experience is that gaining initial buy-in from all the relevant organisations is often a challenge, and the programme would help by providing a framework and set of incentives to ensure this happened.</p>

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<sup>8</sup> Further information is available on the [MEAM Approach website](#)

Coordination for clients and services		
<p><i>What local areas should do</i></p> <p><b>Each local area should establish a process to ensure ‘hands-on’ coordination, linking individuals to existing services and helping them to engage.</b></p> <p>Local areas would decide themselves how to provide this, but it is often achieved through a ‘coordinator’ or ‘navigator’ who is respected by local agencies, acts as a single point of contact for individuals and is able to advocate assertively on their behalf.</p> <p>They should also convene regular meetings between agencies, both in the statutory and voluntary sectors.</p>	<p><i>The frontline view</i></p> <p>People with experience of multiple needs told us that good communication between services is essential, as it prevents an individual having to tell their story multiple times to different services.</p> <p>They also said that peer advocates or mentors – people with personal experience of using services and what it is like to be living ‘in chaos’ – can play an important role in helping services to work together.</p>	<p><i>How a national focus could support this</i></p> <p>By including a clear requirement that coordination is provided, the programme will ensure that individuals in local areas are supported to navigate local systems and services.</p>
Flexible responses from services		
<p><i>What local areas should do</i></p> <p><b>Each local area should ensure that all services are able to respond flexibly to the support requirements of people with multiple needs.</b></p> <p>Currently, people with multiple needs are often denied access to services, or given inappropriate support.</p>	<p><i>The frontline view</i></p> <p>People with experience of multiple needs have told us that services are often unable to help them in the way they need, because they focus on what they’re ‘there to provide’ rather than what an individual needs.</p> <p>They also talked about the importance of having a positive, human relationship with people who are providing support.</p>	<p><i>How a national focus could support this</i></p> <p>The programme should use its targeted funding to incentivise flexibility within services. By ensuring that there is shared responsibility for working with people with multiple needs, it would help avoid the situation where no one service is willing to take responsibility for an individual.</p>

Sustainability and system change		
<i>What local areas should do</i>	<i>The frontline view</i>	<i>How a national focus could support this</i>
<p><b>Every local area should focus on creating 'systemic change': changes to culture, funding structures, commissioning and policy which support a new way of working.</b></p> <p>Unless these changes are made, coordinated interventions are unlikely to be sustainable in the long-term.</p>	<p>People have told us that for the system to change, people with experience of multiple needs and practitioners need to be involved in key decisions. This involves creating an environment where people are encouraged to and feel comfortable sharing their views – which is often not the case within existing structures.</p> <p>Some frontline practitioners expressed concern that concentrating responsibility for improving services in one organisation – whether statutory or voluntary – could make change unsustainable. Different areas we spoke with made the case for leadership by local authorities and by third sector providers, but they all agreed that a range of agencies must stay involved and work together.</p>	<p>The national programme would provide guidance on how local areas – including those supported by MEAM and the Big Lottery Fund's Fulfilling Lives programme – are already changing their systems of support, and help areas to draw on the knowledge of people with lived experience and practitioners.</p> <p>Over time, it would help share new learning between different areas, and ensure that funding and accountability mechanisms – most of which are designed or influenced through national policy – support strong local partnerships and help sustain work in the long run.</p>

### Case study

A recent evaluation of the MEAM Approach in North Tyneside provides evidence of what a local approach along these lines can achieve. Despite being only a year into their implementation of the MEAM Approach, the individuals involved in the programme have shown:

- an improvement of over 40% against key measures such as risk from and to others, impulse control and housing outcomes
- a decrease in arrests by police, from 137 to 84 over the course of the year (a 40% reduction)<sup>9</sup>

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<sup>9</sup> MEAM North Tyneside evaluation (pending publication), p. 14

## Evidence on costs and benefits

In this submission we have set out how a new national focus on individuals with multiple needs should be implemented at both the national and local level. To implement a new programme, a business case will need to be made in the centre of government and agreed across the spending departments.

As with the start of the Troubled Families programme, there is a range of existing data available from which to build this case. However, the existing data is (by its nature) limited. These issues were overcome in the development of the Troubled Families programme and can be overcome for a new national focus on individuals with multiple needs.

In this section we draw mainly on data from the evaluation of the MEAM pilots, led by FTI Consulting and Pro Bono Economics. This two-year study, which shaped the development of the MEAM Approach, found that better coordinated interventions from statutory and voluntary agencies can reduce the cost of wider service use for people with multiple needs by an average of 23.1%.<sup>10</sup> The cost data in the FTI Consulting study is based solely on administrative data drawn directly from relevant local services in each pilot locality, and mapped against published unit costs.

Below we set out what this existing data may be able to tell us about a national focus on 58,000 people facing multiple needs.

**In summary, once the intervention costs have been taken into account, the figures from the MEAM pilots suggest that a new national programme for 58,000 people with multiple needs would come close to breaking even for government at the end of year two. Assuming that individuals' improvements are maintained, it would then result in a cumulative saving to government by the end of year three.**

It is important to note that:

- i) These savings are based primarily on reductions to criminal justice costs and not on welfare savings, as individuals with multiple needs will have a long journey to the labour market. A national focus for this group should not rely on welfare savings.
- ii) The programme would be focused on the better coordination of existing services and not the delivery of new interventions. It would therefore require that investment in the services used by people with multiple needs is maintained.
- iii) We would expect the first two years of a new national programme to focus heavily on data collection and evaluation, thereby building the business case for the continuation and expansion of its work in future years.

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<sup>10</sup> Battrick, T et al (2014), [Evaluation of the MEAM pilots – update on our findings](#), London, FTI/PBE.

In February 2014, FTI Consulting and Pro Bono Economics published the results of a two-year evaluation of the MEAM pilots. The results show statistically significant improvements in well-being and a reduction in wider service use costs of up to 26.4% as individuals engage with better coordinated interventions. These reductions were driven by savings in criminal justice costs, which outweighed increases in other 'good' costs associated with health, housing and treatment.

The criminal justice costs included in the evaluation are: arrest and other contact with the police; court attendances; nights spent in prison and nights spent in police custody.

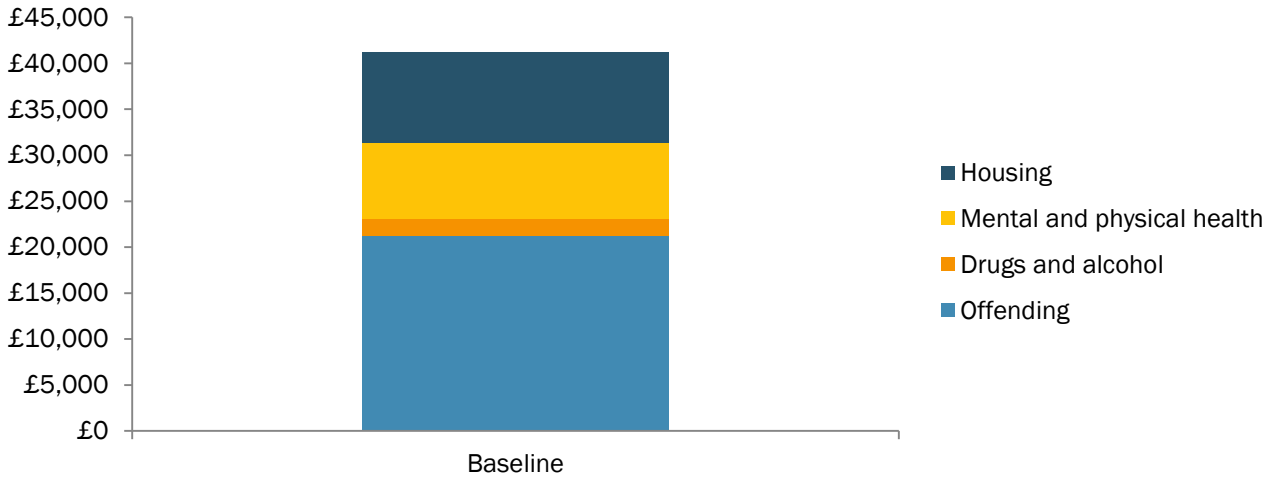


### What does multiple needs cost the government now?

The data suggests that the average annual cost of an individual facing multiple needs is £41,124. For 58,000 people this implies an annual cost of up to £2.4bn. This spending is reactive and simply maintains the status-quo for people with multiple needs.

For an average client in the MEAM pilots the cost to government on an annual basis, before intervention, looked like this:

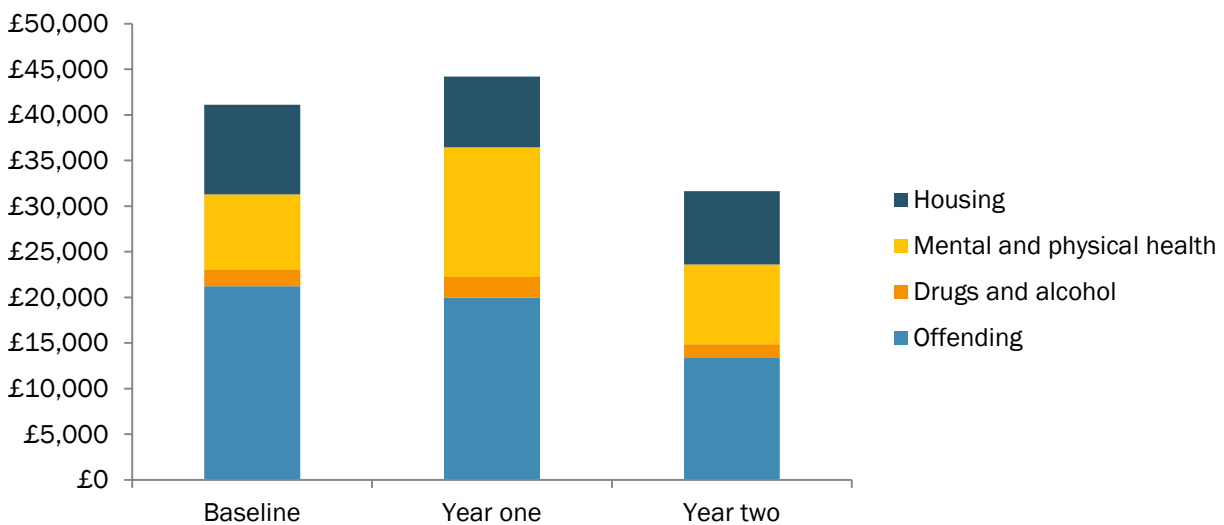
**Figure 1: costs to government before intervention<sup>11</sup>**



### What happens when individuals engage with a coordinated intervention?

The MEAM pilots provide data over two years of intervention. The data show that in the first year costs rose against the baseline by 7.4% as coordinated services helped people to get support for their most urgent and severe problems. In year two, costs fell back below the baseline, a saving of 23.1%, demonstrating the medium-term impact of a joined-up approach.

**Figure 2: costs to government during MEAM pilots**



<sup>11</sup> This and all subsequent figures are annualised averages from Battrick, T et al (2014), cited above

**Figure 3: costs to government during MEAM pilots**

n=20	Baseline	Year one	Year two	% change baseline to year two
<b>Cost to government per client per year</b>	£41,124	£44,184	£31,620	-23.1%
<i>of which:</i>				
<b>Criminal Justice</b>	£21,216	£19,992	£13,440	-36.7%
<b>Drugs and alcohol</b>	£1,872	£2,244	£1,452	-22.4%
<b>Mental and physical health</b>	£8,220	£14,208	£8,712	-6%
<b>Housing</b>	£9,828	£7,752	£8,040	-18.2%

*Note: rounding error means that columns do not always sum*

### What is the cost of coordination and when will government see a return on its investment?

As stated earlier, a national programme should be focused on the better coordination of existing services and not the delivery of new interventions.

The annual cost of providing a better coordinated response is estimated at £3,500 per individual per year. This has been calculated by dividing the total cost of the pilots in the first year by 45, as it is assumed that a coordinator can work effectively with 15 clients per year.

Using these assumptions the figures suggest that a new national programme would come close to 'breakeven' for government at the end of year two. Assuming that individuals' improvements are maintained, the programme would then result in a significant cumulative saving to government by the end of year three (and in future years). As mentioned earlier, a robust evaluation of the new national programme will help better understand these long-term effects.

**Figure 4: costs per individual per year from MEAM pilots**

Pilot data	Baseline	Year one	Year two	Year three (indicative)
<b>Annual cost of wider services per person</b>	£41,124	£44,184	£31,620	£31,620
<b>Annual cost of the coordination per person</b>	n/a	£3,500	£3,500	£3,500
<b>Benefit to the government compared to baseline</b>	n/a	-£6,560	£6,004	£6,004
<b>Cumulative benefit to the government</b>	0	-£6,560	-£556	£5,448

Figure 5: costs per individual from MEAM pilots (over three years)

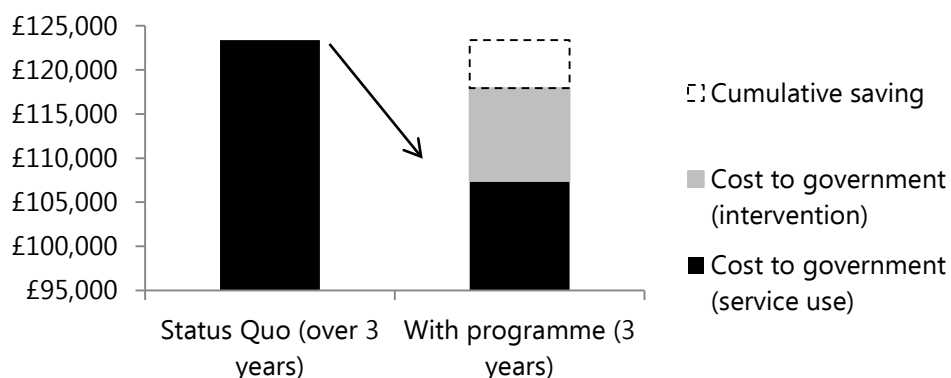


Figure 6: total costs to government extrapolated to 58,000 people per year:

Pilot data	Baseline	Year One	Year Two	Year Three (indicative)
Annual cost of wider services per person	£2,385,192,000	£2,562,672,000	£1,833,960,000	£1,833,960,000
Annual cost of the coordination per person	n/a	£203,000,000	£203,000,000	£203,000,000
Benefit to the government compared to baseline	n/a	-£380,480,000	£348,232,000	£348,232,000
Cumulative benefit to the government	0	-£380,480,000	-£32,248,000	£315,984,000

While further work will be needed to explore exactly where these savings would fall, it is reasonable to assume that savings will be distributed across departments in roughly the proportions shown in the last column of figure 3, above.

### Are the costs for individuals accurate and are they cashable?

Research published by the LankellyChase Foundation suggested that people with multiple needs costed less than the people in the MEAM pilots (£22,671 for SMD3).<sup>12</sup> Using these figures in our model would suggest that the government would ‘breakeven’ at the end of year four.

There is of course a debate about the ‘cashability’ of the savings in the MEAM pilot data. At a small scale these savings are unlikely to be cashable but, at a national scale, there will be scope for the savings to be realised.

<sup>12</sup> LankellyChase Foundation (2015), *Hard Edges: Mapping severe and multiple disadvantage*, p. 42

## What next?

The proposals made in this representation are a starting point, and given the focus on local implementation, it is important that any programme is developed with the consultation and involvement of local areas, the voluntary sector and people with experience of multiple needs.

Through MEAM's *Voices from the Frontline* project, people with experience of multiple needs and those who support them have already developed ideas that could inform government work on this issue.

Over the coming months, we would be pleased to facilitate dialogue with people with experience of multiple needs and frontline practitioners across all sectors, ensuring that any new national programme reflected the concerns and priorities of those who would deliver and benefit from it.

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We are grateful for the input of people with experience of multiple needs and the practitioners who support them in Bristol, London, North Tyneside, Nottingham, Stoke, York and West Yorkshire – as well as all those who have participated in *Voices from the Frontline*.