

# Individuals with multiple needs: the case for a national focus



CALOUSTE GULBENKIAN  
FOUNDATION

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*Individuals with multiple needs: the case for a national focus*

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## **About us:**

Calouste Gulbenkian Foundation is an international charitable foundation with cultural, educational, social and scientific interests, based in Lisbon with offices in London and Paris. The UK Branch in London aspires to bring about long-term improvements in wellbeing, particularly for the most vulnerable, by creating connections across boundaries (national borders, communities, disciplines and sectors) which deliver social, cultural and environmental value.

[www.gulbenkian.org.uk](http://www.gulbenkian.org.uk)

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. Together the charities represent over 1,300 frontline organisations and have an interest in the criminal justice, substance misuse, homelessness and mental health sectors. [www.meam.org.uk](http://www.meam.org.uk).

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## Introduction

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In the budget of 18 March 2015, the Government committed to exploring options to integrate spending around vulnerable groups of people, including those with multiple needs.<sup>1</sup>

This is a very welcome announcement, supported by the Calouste Gulbenkian Foundation (UK Branch), MEAM and other charities.<sup>2</sup> 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 and a further 164,000 who experience an overlap of any two<sup>3</sup>. Around 40% also experience mental health problems. These individuals ‘recycle’ around local services without ever getting the help they need, at significant cost to themselves, local communities and the public purse.

Evidence has shown that better coordinated interventions from statutory and voluntary agencies can reduce costs, yet while ‘troubled families’ have received nationwide attention from the Government, until recently this group of individuals has not.

In this paper we set out the case for a national focus on individuals with multiple needs and explore what its implementation might look like. In doing so, we present answers to five key questions posed by officials:

- What is the cohort of people with multiple needs? (Section 1)
- What is the case for central government involvement on this issue? (Section 2)
- What should a national focus look like? (Section 3)
- What are the costs now and when will they reduce? (Section 4)
- Which interventions work and why? What are the characteristics of successful interventions? (Section 5)

By presenting clear answers to these questions we hope to support the work of officials across departments as they develop plans in the forthcoming Spending Review. An accompanying executive summary provides an overview of this paper for wider audiences.

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<sup>1</sup> Budget Statement, 18 March 2015, paragraph 2.19

<sup>2</sup> For example, MEAM (<http://bit.ly/1HLJOci>); Framework (<http://fiveactions.org/>) and Revolving Doors Agency (<http://bit.ly/1OylsCy0>)

<sup>3</sup> Fitzpatrick, S; Bramley, G et al (2014) Hard Edges: Mapping severe and multiple disadvantage- England, LankellyChase Foundation, London. See footnote 7 for full details.

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## Background

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The Budget announcement in March was preceded by commitments in the Autumn Statement and the Government's response to the Service Transformation Challenge Panel report. These included a pledge to extend the principles underpinning the Troubled Families programme to other groups of individuals with multiple needs<sup>4</sup> and a commitment to undertake work on integrating funding, commissioning, delivery and accountability regimes.<sup>5</sup>

The issue was also highlighted in the House of Lords on 16 October 2014, when Baroness Tyler led a debate that discussed the difficulties faced by people who experience multiple needs.<sup>6</sup>

During December 2014 and January 2015, the Calouste Gulbenkian Foundation commissioned the authors of this paper to undertake a series of interviews with senior officials from departments and public bodies with a direct interest in these individuals, including the Treasury, Health, Public Health England, Work and Pensions, Justice, and Communities and Local Government. The interviews collected opinions about what a national focus for individuals with multiple needs might look like, taking into account not only the Troubled Families model but also other ways to incentivise better-coordinated services locally.

A roundtable dinner with the officials hosted by the Calouste Gulbenkian Foundation took place on 5 February 2015 at which findings were presented and a discussion took place around the main issues identified during the interviews. The dinner concluded with the key questions that the officials attending considered had to be answered to make the case for a national focus. This paper takes up these questions as well as our further consideration since then.

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<sup>4</sup> Autumn Statement, 9 December 2014, paragraphs 1.77 and 2.14

<sup>5</sup> Government response to the report of the Service Transformation Challenge Panel, of November 2014, published 16 March 2015, Department for Communities and Local Government and HM Treasury

<sup>6</sup> See: [www.meam.org.uk/wp-content/uploads/2014/10/Social-Justice-debate-16-Oct.pdf](http://www.meam.org.uk/wp-content/uploads/2014/10/Social-Justice-debate-16-Oct.pdf)

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# 1. What is the cohort of people with multiple needs?

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Recent research published by the LankellyChase Foundation has for the first time provided a robust statistical profile of severe and multiple disadvantage in England. By triangulating data from three national sources, *Hard Edges*<sup>7</sup> found that 58,000 people in England face problems of homelessness, substance misuse and offending in any one year and 164,000 people experience an overlap of any two of these.

Most of the individuals identified are men (78% are male; 85% are white and 59% are aged 25-44) but the research also shows that women with multiple needs probably appear in other datasets (e.g. domestic and sexual violence service data) and are therefore under-represented.<sup>8</sup> Not all the individuals are single people either; some are from families and will have children. *Hard Edges* also suggests that these individuals have regular contact with the benefits system, with nearly half of people experiencing all three needs reporting that they have been reliant on welfare benefits for most of their adult lives. These findings are strongly indicative of lives dominated by sustained experiences of poverty.<sup>9</sup>

This latest data supports the earlier estimate from the MEAM coalition that about 60,000 individuals in England face multiple needs at any one time.<sup>10</sup>

## Recommendations

We recommend that a national focus on individuals with multiple needs should concentrate initially on the 58,000 individuals identified by *Hard Edges*. If the approach is successful, it could then be widened to cover the 164,000 people with any two needs and those other individuals facing multiple problems, such as the large number of women missing from the existing data. This incremental approach will allow the initiative to be evaluated and developed before it expands to support more people.

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<sup>7</sup> Fitzpatrick, S; Bramley, G et al (2014) *Hard Edges: Mapping severe and multiple disadvantage – England*, LankellyChase Foundation, London. *Hard Edges* undertook an integrated analysis of three administrative data-sets: (1) the Offender assessment System (OASys); (2) The National Drug Treatment Monitoring System (NDTMS); (3) Supporting People Client Record and Outcomes for Short-Term Services data, augmented by 'In-Form' datasets maintained by selected major homelessness service providers in England. These administrative dataset analyses were complemented with interrogation of two recent survey-based statistical sources: the 'Multiple Exclusion Homeless' (MEH) survey (Fitzpatrick et al, 2013) and the ESRC 'Poverty and Social Exclusion' (PSE) survey 2012. <http://bit.ly/15qePDe>

<sup>8</sup> The LankellyChase Foundation are addressing this through a further research exercise focused on women and girls

<sup>9</sup> Fitzpatrick, S; Bramley, G et al (2014) p.29

<sup>10</sup> Making Every Adult Matter (MEAM) is a coalition of Clinks, Homeless Link and Mind with founding funding from the Calouste Gulbenkian Foundation (UK Branch), formed to improve policy and services for people facing multiple needs. Together the charities represent over 1,300 frontline organisations and have an interest in the criminal justice, substance misuse, homelessness and mental health sectors. See [www.meam.org.uk](http://www.meam.org.uk)

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## 2. What is the case for central government involvement on this issue?

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*Hard Edges* shows that the average local authority in England has 1,470 people facing this particular profile of multiple needs and that these individuals are present in every local authority area. Meanwhile, evidence has shown that better coordinated interventions from statutory and voluntary agencies can reduce the cost of wider service use for people with multiple needs by up to 26.4% (see section 4 on costs and footnote 13 below).

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 silos working on specific issues within organisational boundaries. This is not sustainable.

There have been government-led initiatives in the past that have sought to encourage local solutions for individuals with multiple needs. They have taught us much about ‘what works’ locally but they have not yet led to longer-term funding or a nationwide framework for action.

Conversely, the recent experience of the Troubled Families programme shows the importance of central government setting national outcome frameworks within which local interventions can be developed and delivered. The drive and financial incentives from central government as part of the Troubled Families programme have significantly increased action in local areas to coordinate and deliver better services for the target populations.

Wider departmental policy is also supportive of a national focus. For example, we welcome the publication of the latest report from the Ministerial Working Group on Homelessness that recognises and supports the need for joint approaches to providing better services for people with multiple needs.<sup>11</sup> The Social Justice Strategy and other departmental policy also recognise the need for greater cross-departmental activity and integration. This is particularly clear in the recovery agenda for substance misuse, the national mental health strategy and the commitments of the new Community Rehabilitation Companies.

### Recommendations

We recommend that a new national focus could incentivise local action leading to cost savings and better outcomes for people with multiple needs in communities across England.

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<sup>11</sup> Addressing Complex Needs: Improving Services for Vulnerable Homeless People, third report of the Ministerial Working Group on Homelessness, Department for Communities and Local Government, March 2015. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/417230/150325\\_Addressing\\_Complex\\_Needs\\_-\\_final\\_publication\\_amended.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/417230/150325_Addressing_Complex_Needs_-_final_publication_amended.pdf)

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### 3. What should a national focus look like?

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A national focus does not require a top-down approach and our discussions with senior officials have suggested that a hybrid model would be the most appropriate way to proceed. This is based on the experience of the Troubled Families programme in its first and second phase, where national financial incentives and defined departmental outcomes, provide a framework for action by all 152 top-tier local authorities in England following their own local approaches.

We believe a similar approach can work for individuals with multiple needs. With a hybrid model, the government would encourage and support local areas by setting out broad top-level goals and outcomes, providing targeted funding and evaluating progress overall. This national framework would be flexible enough to encourage a wide range of local interventions and local areas would be responsible for devising the shape of these interventions and delivering the programme. A key part of this would be coordinating the services each individual requires in a way that makes best use of them. Interventions should also seek to achieve systemic change in the way that services are provided in future, so as to reduce the need for a programme in the longer-term.

Funding could be provided in a similar way to the Troubled Families programme, including attachment fees, grant aid and payment by results, supported by the nationally determined outcomes framework. Alternatively it could be provided as a single payment to local areas on receipt of clear plans for how they will meet nationally agreed outcomes locally.

People with lived experience of multiple needs and the voluntary sector should be fully involved in the national design of the new programme. Its name and the way it is described should be positive and contribute towards reducing the stigma associated with multiple needs.

#### Recommendations

We recommend that a national focus should take the form of a national framework including broad top-level outcomes, targeted funding and evaluation support. The framework should be flexible enough to encourage a wide range of local interventions, with local areas responsible for devising the shape of these interventions and delivering the programme locally. People with lived experience of multiple needs and the voluntary sector should be fully involved in the national design of the programme and its name and language should be wholly positive. The best elements of programmes such as Troubled Families phases 1 and 2 (starting in April 2015), the Better Care Fund and Total Place could be combined to create the means to deliver such a programme.

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## 4. What are the costs now and when will they reduce?

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There is considerable spending now on individuals with multiple needs. It is usually reactive and spent from national allocations, for example through the Criminal Justice System. There are currently two data sources available to provide an estimation of current costs incurred by the 58,000 individuals mentioned above.

The first source is *Hard Edges*, which estimated that costs for individuals were about £19,000 per year (including benefits). This is in the middle of the range of quoted in the 2015 DCLG report (£16,000 - £21,180 per year). The *Hard Edges* authors note that the £19,000 cost is 4-5 times the benchmark cost of £4,600 for an average individual. This analysis is based on the Multiple Exclusion Homelessness sample of users of 'low threshold services', filtered to those who had the characteristics of severe and multiple disadvantage in its broadest sense. Using this figure would imply costs of £1.1 billion a year for the 58,000 individuals (or £4.3bn if the additional 164,000 with lower needs are included).<sup>12</sup>

The second source is data presented by Battrick et al in their two-year study of the MEAM pilots, which found that better coordinated interventions from statutory and voluntary agencies can reduce the cost of wider service use for people with multiple needs by up to 26.4%.<sup>13</sup> This study focused on individuals in three localities who were supported to engage with better-coordinated services. Individuals were chosen using an assessment tool and all had multiple needs. The study collected administrative data directly from local agencies and mapped this against published unit costs. It found that average service use costs per individual prior to the intervention (excluding benefits) were between £36,696 and £43,400 per year. Using the lower of these figures would imply costs of £2.1 billion a year for the 58,000 individuals.

The variation in these two sources is related to the differing needs of the individuals in the cohorts. However it is reasonable to assume that costs for the 58,000 individuals nationally sit broadly within this range of £1.1bn to £2.1bn per year.

The Troubled Families programme has cost £448 million over three years for 120,000 troubled families. If we assume a national focus for the 58,000 individuals identified to date with multiple needs could be delivered at the same proportional cost, it would require an investment of £216 million over three years.<sup>14</sup>

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<sup>12</sup> More information about this analysis is available in Appendix H of *Hard Edges*.

<sup>13</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. <http://bit.ly/1bcvMCA>

<sup>14</sup> Funding for services supporting people with multiple needs has fallen considerably in recent years and is likely to fall further. Though we provide this comparison with proportional costs for Troubled Families, it will be important to remember that the formula applied to Troubled Families was for a differently prioritised group in different fiscal times. Work will be needed to ensure that funding arrangements within a new national focus are appropriate for the interventions required.

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This represents a proactive investment of between 3.4% and 6.5% of total current annual costs.

So far there has been no long-term longitudinal study conducted on outcomes for individuals with multiple needs. A significant benefit of a national focus will be the ability to collect this data at scale for the first time.

What we do know now about longitudinal effects comes from the evaluation of the MEAM pilots referenced above. At the end of the first year, total service costs were either flat or had increased, as people got access to the services they needed. It took until the end of the second year for overall costs to reduce. The fall in costs was driven by a reduction in criminal justice costs and a rise in 'good' costs (such as housing, health and treatment costs) that did not offset the criminal justice savings.

## Recommendations

We recommend developing the national framework in two stages:

- **Stage 1** – focus on the 58,000 individuals with the most complex needs using the same mix of funding arrangements as the Troubled Families programme. This is based on grant aid, attachment fees and payment by results.
- **Stage 2** – Following evaluation, scale-up the investment in a second stage, bringing in the additional 164,000 people and those other individuals facing multiple problems. Evidence from the first stage would inform effective approaches and allow for the development of new funding approaches, including social investment and social impact bonds.

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## 5. Which interventions work and why? What are the characteristics of successful interventions?

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The hybrid model we propose would place responsibility for the design of interventions on local areas.

Following work by the government and the voluntary sector over many years a lot has been learnt about the important elements of better-coordinated services. As one example, the Revolving Doors Agency recently published a report on three different models.<sup>15</sup> This report assesses the evidence for three programmes designed to work directly with people facing multiple needs:

- Multisystemic therapy (an intensive psychological treatment programme where therapists work closely with individuals to address different areas that influence behaviour).
- Wraparound (coordination of professional and community-based support for individuals).
- The link worker model (a delivery model coordinating multiple areas of support for people with multiple needs. Link workers also act as advocates and consistent sources of support for their clients).

The first two models are aimed more at young people and their families and the third is aimed at adults. However, the evidence shows that all three can address important issues such as crime and homelessness while improving the well-being of the individuals concerned. The report outlines the cost-benefit and effectiveness of these service models. Although the report is clear there is a need for further robust research about some outcomes, the review found promising evidence that:

- All three models can reduce reoffending rates. In a UK trial, the multisystemic therapy approach reduced the percentage of young people reoffending by 26%.
- All three models have the potential to save public money in the long run through reduced reoffending, reduced demand on costly emergency responses and fewer young people going into care.
- There is promising evidence that the link worker model helps long-term homeless people into stable homes and improves their mental health.

In 2014 the Big Lottery Fund announced awards as part of its £112 million multiple needs programme. *Fulfilling Lives: supporting people with multiple needs* is working with 12 local areas across England to tackle multiple needs and change the way in which local services are delivered. The evaluation of the programme is starting to provide information on which approaches are effective.

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<sup>15</sup> Revolving Doors Agency, (2015), Comprehensive services for complex needs: a summary of the evidence. <http://www.revolving-doors.org.uk/1comprehensive-services-for-complex-needs-a-summary-of-the-evidence.pdf>

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The MEAM Approach, which helps local areas design and deliver better coordinated services for people with multiple needs, proposes seven elements that all local interventions should consider, but is not prescriptive about how these are achieved. These elements are:

- **Partnership and audit** - the right people should be at the table and have a shared understanding of the problem.
- **Consistency in client identification** - being consistent about identification, referral processes and caseloads.
- **Coordination for clients and services** - there must be a practical resource to link individuals to existing services and to broker engagement from local agencies.
- **Flexible responses from services** - ensuring flexible responses from all statutory and voluntary agencies.
- **Service improvement and gap filling** - filling any gaps in services and seeking continuous improvement.
- **Measurement** - a commitment to measuring social and economic outcomes is needed.
- **Sustainability** - making sure your intervention is sustainable through systemic change.

The MEAM Approach website<sup>16</sup> provides detailed practical information on how local areas have used these seven elements to design and deliver better coordinated local services.

In addition to these three sources, there is helpful evidence emerging about the need for trauma-informed approaches to service delivery, for example Trauma Informed Care in the United States and the implementation of Psychologically Informed Environments in the UK.

It is also increasingly clear that to be successful and effective, local services need to be designed, shaped, monitored and led by the people who use them. This helps to reduce stigma, both within services and communities. The service user leadership seen within the Big Lottery Fund's Fulfilling Lives programme is an important practical example of this commitment in action.

## Recommendations

We recommend that these sources of information form a helpful starting point for local areas tasked with designing better coordinated interventions. Local authorities and their partners can decide which model or models are appropriate for their areas. People with lived experience of multiple needs and the voluntary sector should be fully involved in the design, delivery and monitoring of local interventions.

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<sup>16</sup> See [www.theMEAMapproach.org.uk](http://www.theMEAMapproach.org.uk)

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## Conclusion

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This paper has addressed the five key questions that officials posed regarding a new focus on individuals with multiple needs. We believe that a new national focus will bring benefits not only for individuals themselves, but also for communities and the public purse.

We would be pleased to expand on any element of this paper, if helpful.