

# Executive summary

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The financial case for integrated mental health services and supported housing pathways



Author **Europe Economics**



## About Look Ahead

**Look Ahead is a leading provider of housing and support services, delivering 40 specialist mental health services, across seven integrated care systems in 18 local authorities in London and the Home Counties.**

With more than 40 years' social care experience, Look Ahead's accommodation-based support is funded through contracts with Clinical Commissioning Groups, NHS mental health trusts and local authorities. Housing and housing management-related costs for Look Ahead's services are funded through rent and service charges, and, in many cases, housing benefit.

As well as providing housing support, Look Ahead works in partnership with local authorities and health trusts to provide community-based clinical, wellbeing and independent living support.



## Background to this report

Before the COVID-19 crisis, Europe Economics was commissioned by Look Ahead to carry out an independent analysis of the cost savings and other benefits resulting from integrated mental health services and housing support. The research considered both Look Ahead's own services compared to the NHS, as well as those offered by other organisations across the world.

The launch of this report was delayed due to the pandemic, but the eventual timing of this publication could not be more pertinent, with the current pandemic further accentuating the need for increased mental health provision, and for changes to be made to the ways in which support is provided.

It is already widely acknowledged that integrated health and social care services – in particular, those providing out-of-hospital care – can lead to improved physical and mental health outcomes for individuals, as well as result in significant cost savings, when compared to hospital-based care pathways. Integrated community-based services help to release hospital bed capacity, whilst driving the policy agenda to provide the right care at the right time.

The recent publication of the Mental Health Act White Paper, alongside the 2019 NHS Long Term Plan, the expansion of the Integrated Care Systems and the recent publication of the Government's Social Care White Paper Integration and innovation: Working together to improve health and social care for all, present an ideal opportunity for renewed policy discussions in this area. This report makes Look Ahead's contribution to that debate, drawing on robust financial as well as clinical evidence.

## Key findings of the report



- **Supported housing can increase capacity for the NHS and aid recovery from the pandemic** – The provision of health care services outside hospitals, wherever feasible, helps to reallocate resources, and may improve hospital capacity to deal with unexpected health events. The COVID-19 pandemic provides important context and further highlights the need for integrated health services. In 2020, 83 per cent of adult critical care beds were already occupied in England, leaving little room to accommodate the spikes in demand brought by emergency COVID-19 cases. Integrating services brings with it the potential to increase capacity for valuable NHS inpatient services to meet the extreme demands of unanticipated health crises.
- **There is a significant financial case for integrated services** – Europe Economics found that, combined, Look Ahead’s current service models produced £5 million a year in cashable savings and non-cash releasing efficiencies compared to hospital-based mental health care. This figure was based on an estimated 167 individuals who are supported by the three distinct service models outlined in the table below namely crisis and recovery houses, rehabilitation services and forensic step-down. It does not include costs savings generated by the lower level services.
- **There is capacity in the supported housing sector to scale up the model** – Europe Economics and Look Ahead believe that the increased adoption of the integrated mental health and supported housing models will lead to significant potential financial benefits for the NHS and local authority providers of social care. Look Ahead currently delivers these models across three trusts; East London Foundation Trust; Barnet, Enfield & Haringey Mental Health NHS Trust and Camden and Islington NHS Foundation Trust. Look Ahead, as well as a number of other specialist supported housing providers have the skills, capacity, resources and expertise to immediately begin delivering these services across a wider area.
- **Scaling up the model could generate nearly £1bn of potential savings** – Europe Economics predicts there could be nearly £1 billion of potential savings to the NHS and social care if these models were to be put in place across England. Europe Economics drew this conclusion by analysing a weighted average saving per individual in Look Ahead’s services compared with the cost of hospital treatment. It focused on the number of mental health patients who are currently being admitted to hospital, but could potentially benefit from Look Ahead-style services. The figures used were conservative, as they related to roughly a third of potential patients and were based on 2014-15 data.



## The service models and savings per individual:

**Estimated annual savings**  
compared to low secure unit/  
hospital bed costs

**Crisis and recovery houses** - a short-term community-based alternative to in-patient psychiatric treatment. Those who receive support through these services are less likely to be re-admitted to hospital, while the NHS and social care agencies benefit from lower costs per-bed-per-day than in-hospital services.

**Service highlights:**

- ▶ High quality support with clinical input.
- ▶ Less time spent in the crisis house than would be required in hospital.
- ▶ Lower readmission rates, reducing patient costs over the long-term.
- ▶ Cost efficiencies enabled by lower bed-day costs.

**£1.33m**  
(av. £10k per user)

**Rehabilitation services** - accommodation-based services providing medium or short-term support to develop mental health stability and daily living skills.

**Service highlights:**

- ▶ Specialist support and treatment.
- ▶ Accommodation that is safe, supporting and empowering.
- ▶ Occupational therapy services to support individuals' independence.
- ▶ Less costly than other long-term mental health rehabilitation services.

**£530k**  
(av. £48k per user)

**Forensic step-down** - for people to step-down safely from secure in-patient settings into the community.

**Service highlights:**

- ▶ Builds important life skills and confidence.
- ▶ Support provided for individuals with substance misuse issues.
- ▶ Lower cost per-stay than in NHS low-secure units.
- ▶ Lower recall rates compared with NHS forensic units.

**£3.15m**  
(av. £143k per user)

**£5 million**

### Supporting inpatient discharge

Look Ahead's Housing and Advice Workers (HAWKs) support mental health patients in acute wards to ensure they have suitable housing options following discharge.

- ▶ Reduced delays in discharge as a result of housing issues. This can maintain patient flow in hospitals and reduce bed occupancy.
- ▶ Housing support helps to prevent relapses and hospital readmissions. Supportive housing facilitates better recovery.

### Community-based support

The Independent Living Community Support provided in Tower Hamlets currently supports 186 individuals with varying needs to live independently and to maintain their tenancies.

- ▶ May reduce the risk of homelessness.
- ▶ Helps the transition from points of care to the community.

As the diagram above demonstrates, there are potential further savings from additional community-based services, including hospital discharge services and community-based independent living support, which enable patients to maintain tenancies and improve independent living skills.

### Calculation of illustrative cost savings across England

|   |              |
|---|--------------|
| Weighted average saving per individual in Look Ahead services in a year                   | £27,308      |
| Number of mental health patients in England spending time in hospital in a year           | 103,840      |
| Proportion of mental health patients for whom LA-style services are likely to be suitable | 0.3          |
| <b>Potential total saving per year (£bn)</b>  | <b>£0.95</b> |

- **Integration between the NHS and supported housing is fundamental to the success of the services** – The report found that a key feature of Look Ahead’s services is the integration of housing support with clinical and social care, enabling individuals to receive tailored treatment and interventions closer to (or at) home and within less institutionalised environments.
- **Supported housing helps prevent readmission and has positive outcomes for patients** – These services not only help to prevent readmission to hospital or clinical settings, but also help individuals achieve further positive outcomes, for example living independently, securing work or training, or reconnecting with family or friends. Supported housing services operate at a different level to in-hospital care for example team members regularly work with external agencies such as the criminal justice system.
- **Housing is a key ingredient to long-term recovery** – Securing the path to appropriate housing is a vital element of integrated services. Individuals are often provided with housing-related information and support while they are still in hospital, meaning they can focus on recovering, while feeling confident they will be able to regain and retain independence and reintegrate into their communities.
- **Trust, risk management and co-design between partners is vital** – Look Ahead stresses that partnership working, co-design and collaboration is key to the success of all five of its models of care, with mutual trust and risk management between registered providers, local authorities and the NHS.



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## Conclusions/recommendations



- This report illustrates both the economic and the social care cases for an integrated model of mental health and supported housing services. As the Government develops social care reform, Look Ahead believes that integrated mental health pathways, working alongside supported housing, should be a key component.
- As integrated care systems become embedded within each region, these models could be adopted at scale, in order to improve both patient experience and save public money, which can be reinvested into other aspects of health and social care.
- Look Ahead believes that 2020 was a turning point in terms of general recognition of the value of social care and the way in which social care professionals work alongside health professionals. Social care will continue to support the NHS in its recovery from the Covid-19 pandemic and ensure patients receive the care and support they deserve, and, crucially, that is right for them.
- Look Ahead believes this report provides important evidence for the case for more capital funding to provide additional specialist supported housing accommodation that is fit for purpose. This could include funding for the repurposing of existing homes so they can be put to use for integrated care and support models as outlined above. Appropriate levels of funding would attract additional housing providers into a challenging market. It would also ensure that the NHS has access to appropriate resources to adopt these models at a scale that makes a significant impact on the lives and futures of individuals across the country.





## About us

Look Ahead is a specialist housing association and provider of tailor-made care, support and accommodation services across London and the South East.  
[www.lookahead.org.uk](http://www.lookahead.org.uk).

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This report has been written by Look Ahead as a summary of the full report written by Europe Economics.

