

Establishing the financial case for KeyRing

Report for KeyRing

Housing LIN
August 2018



Housing LIN

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Executive Summary

Introduction

This report sets out the financial 'proof of concept' of the KeyRing service model, illustrating for commissioners and others both the **service outcomes** and associated **financial benefits** of a typical KeyRing Network. This report and its proof of concept are based on the actual service outcomes from a sample of KeyRing Networks and the associated financial benefits that these Networks deliver. These benefits are compared to the cost of the Networks to identify the net financial benefits provided for the service outcomes achieved. This study demonstrates that it is possible to achieve cashable savings of £187,168 per annum/£3,599 per week using the KeyRing model.

The KeyRing Network model

KeyRing has nearly 30 years' experience of working with vulnerable people, including those who have mental health, or addiction issues, and those seen as non-neuro-typical (ASD).

The mission is to improve the life chances of KeyRing Members, enabling them to take control of and responsibility for their lives, achieving their full potential. KeyRing believes inclusion is the key to people living as full citizens.

KeyRing's main model of support is known as a Network. Networks are based in ordinary neighbourhoods; people who need support live in their own homes and benefit from the support of local volunteers and paid workers and offer and receive peer support. It is KeyRing's community focused ethos combined with their robust model which, together, provide a powerful support solution for a range of people.

Service Outcomes

Because the focus of this report is financial, outcomes highlighted here are ones that relate to significant savings, such as:

1. Moving from a higher costs service.
2. Avoiding people ending up in institutional settings rather than living independently.
3. Reducing someone's need for contact with a NHS Community Psychiatric Nurse (CPN).

However, the reason for KeyRing existing is not about money, it is about enabling people to have better lives. So what KeyRing is proud of in the above examples is:

1. Individuals realising their potential, moving beyond the restrictions placed on them by labels such as 'disabled' and how they have been treated because of this.
2. People able to live a life like those they see around them whilst uniquely their own.

3. People developing stability in their lives, with the right help, on their terms, to have choice and control over their future.

There are many more outcomes achieved by everyone with whom KeyRing works. KeyRing's focus is on the outcomes that Members want to achieve in their lives. The fundamental need is for a place where you are safe, in your own home and have an income to support yourself. This is the starting place and from here KeyRing works with its Members on their personal journeys. From this, outcomes achieved have particular and cumulative value to those individuals.

It is also possible to put a financial value on many outcomes and therefore to demonstrate that by supporting people KeyRing's way, costs decrease.

Financial benefits of the KeyRing service model

Analysis of the service outcomes delivered by KeyRing provides evidence of a range of financial benefits including:

- **Cashable savings:** where a reduction in a local authority's expenditure can be directly attributed to KeyRing's service model. Examples include where a person supported by KeyRing was previously funded by a local authority:
 - In a residential care home for adults with eligible needs.
 - In a supported housing or 'supported living' setting for adults.
 - Using floating support or another similar support service.
- **Cost avoidance:** where a KeyRing Network directly results in costs being avoided or expenditure occurring at a lower level for a local authority than would otherwise have been the case without that service being available. Examples include where a person supported by KeyRing is a young person or adult living with family/informal carers where the alternative to KeyRing would have been a 'transition' to a residential care placement or to a supported housing/living package.
- **Preventative (indirect cost avoidance) financial benefits** arising to a local authority and/or other statutory organisations that can be attributed to KeyRing's service model. Examples include:
 - Where crisis outcomes are avoided such as mental health/psychiatric in-patient hospital admission and tenancy breakdown resulting in homelessness.
 - Where non crisis interventions are avoided or reduced, such as contact with a NHS CPN providing support for acute and/or enduring mental health needs or contact with a local authority social worker/care coordinator providing support with social care eligible needs.

Financial proof of concept

The summary net financial benefit of a 'typical' KeyRing Network/s with 30 Members (i.e. the equivalent of 3 Networks of approximately 10 members per Network) is shown in the table below.

Financial position		Typical Network	
		No. of applicable Members ¹	
Financial benefits			
Cashable savings	Per annum	8	£187,168
	Per week		£3,599
Direct cost avoidance	Per annum	5	£53,924
	Per week		£1,037
<i>Preventative financial benefits</i>	<i>Per annum</i>		<i>£278,347</i>
	<i>Per week</i>		<i>£5,352</i>
Total financial benefits (excluding preventative financial benefits)			
	Per annum		£241,092
	Per week		£4,636
Total no. of applicable Members		13	
Average financial benefit across 30 Members	PA/per Member		£8,036
	PW/per Member		£154
Network cost (30 Members)	PA across 3 Networks		£109,950
	PA/per Member		£3,665
	PW/per Member		£70
Average net financial benefit (excluding preventative financial benefits)	PA across 3 Networks		£131,142
	PA/per Member		£4,371
	PW/per Member		£84

In practice this shows that a 'typical' KeyRing Network/s of 30 members (i.e. the equivalent of 3 Networks of approximately 10 members per Network) generates the following benefits.

Cashable savings of £187,168 per annum/£3,599 per week based on the following outcomes:

- 2 people moving from a residential care home.
- 2 people moving from a supported housing or 'supported living' setting.
- 2 people ceasing to need a floating support or other similar support service.
- 2 people moving from hostel and/or temporary accommodation provision.

Cost avoidance of £53,924 per annum/£1,037 per week based on the following outcomes:

¹ Members with applicable financial benefits: cashable savings or direct cost avoidance

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- 3 young people living with family/informal carers avoiding a 'transition' to a supported housing/living package.
- 2 young people living with family/informal carers avoiding a 'transition' to a community based support service, e.g. floating support.

The total financial benefit of this cluster of 3 typical KeyRing Networks is £241,092 per annum.

The net financial benefit, i.e. after the annual cost of a 30 Member Network, is £131,142 per annum.

In addition, it is estimated that the typical KeyRing Network generates wider preventative financial benefits from the avoidance of crisis and non-crisis outcomes of £278,347 per annum/£5,352 per week.

This financial proof of concept can be used:

- To illustrate the potential service outcomes and associated financial benefits for a typical KeyRing Network to potential commissioners.
- To illustrate the actual service outcomes and associated financial benefits for a specific KeyRing Network to existing commissioners.
- To illustrate the actual and/or potential service outcomes and associated financial benefits for a specific and/or typical KeyRing Network to other stakeholders.
- To aggregate the financial benefits of a number of, or all of, KeyRing's Networks, compared with the costs, to demonstrate the wider/overall net financial benefits delivered from KeyRing's service model.

1. Introduction

The purpose of this report is to support KeyRing to develop a financial case for its Network service model.

Commissioners are seeking to reduce expenditure to meet savings targets and/or to focus remaining expenditure on services that deliver demonstrable cashable savings when compared to other 'interventions'. Since 2010 this has left little 'space' for innovation and the type of preventative support model promoted and provided by KeyRing.

However, whilst the 'cashable savings' mantra still dominates, some commissioners are also (re)recognising the longer-term value of commissioning for preventative cost avoidance as well as (re)recognising the value of a service model that supports a 'community based' approach to supporting vulnerable people.

This work draws on the actual service outcomes from a sample of four Networks and identifies the associated financial benefits that KeyRing Networks deliver in relation to:

- Cashable savings
- Direct cost avoidance
- Wider preventative financial benefits

These financial benefits are compared to the cost of a typical Network to identify the net financial benefits provided for the service outcomes achieved. This is intended to illustrate the financial proof of the KeyRing concept.

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- To illustrate the actual and/or potential service outcomes and associated financial benefits for a specific and/or typical KeyRing Network to other stakeholders.
- To aggregate the financial benefits of a number of, or all of, KeyRing's Networks, compared with the costs, to demonstrate the wider/overall net financial benefits delivered from KeyRing's service model.

2. The KeyRing approach

KeyRing's mission is:

KeyRing exists to improve the life chances of KeyRing Members and enable them to take control and responsibility for their lives thereby achieving their full potential. KeyRing believes that inclusion is the key to people living as full citizens and seeks to promote it in all we do. KeyRing challenges attitudes and approaches that exclude and demean.

This report, to give meaningful cash figures, considers 'typical' KeyRing Networks; the reality is that there is no such thing, nor, indeed, a typical KeyRing Member. KeyRing takes a genuinely person-centred, strength-based approach to its work; it coproduces support with those whose support it is and services reflect the nature of the population in which they are based. This means every KeyRing Network is different and evolving.

It is the very fact that everything is personal, flexible and outcome focused that brings the results KeyRing is known for, including the financial impact shown in this report.

KeyRing has nearly 30 years' experience of working with vulnerable people, including those who have mental health, or addiction issues, and those seen as non-neuro-typical (ASD).

The mission is to improve the life chances of KeyRing Members, enabling them to take control of and responsibility for their lives, achieving their full potential. KeyRing believes inclusion is the key to people living as full citizens.

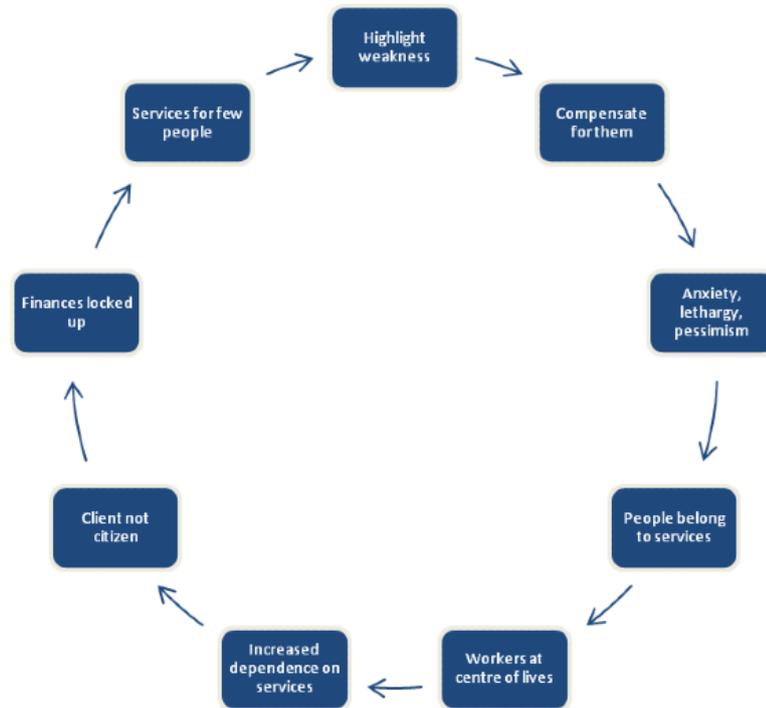
KeyRing's main model of support is known as a Network. Networks are based in ordinary neighbourhoods; people who need support live in their own homes and benefit from the support of local volunteers and paid workers and offer and receive peer support. It is KeyRing's community focused ethos combined with their robust model which, together, provide a powerful support solution for a range of people.

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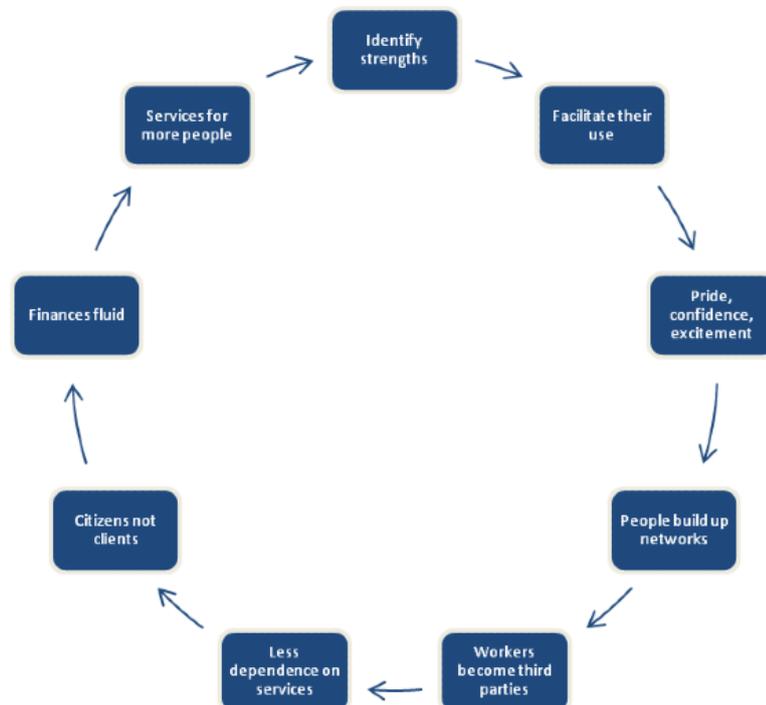
Networks are based in neighbourhoods; people who need support live in their own home and benefit from local volunteers, peer support of the Network and paid-worker support.

KeyRing believes this it is fundamentally wrong to focus on what people can't do and to make assumptions of what people can or cannot achieve. This 'deficit-based' approach, still present today, is self-fulfilling:

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Throughout its existence, with whomever it has worked, on whatever aspects of their lives, KeyRing has always used an asset-based approach:



This, too, is self-fulfilling - in a really good way! It, naturally, means that Members themselves, volunteers and people in the community can use their skills and experience to help others, as well as themselves. Through doggedly sticking to this philosophy, KeyRing

has helped thousands of people achieve great things, often to the surprise and delight of themselves, family, friends, professionals and KeyRing. It has helped people become more independent and less reliant on costly, inflexible and often inappropriate forms of support.

The theory is, really, simple; practical and pragmatic actions are needed to make it work:

- **Keep going** – things don't always work or work first time and people have barriers that they have to overcome; we're tenacious and will only stop when Members want to stop.
- **Empathy** – it is Members' wishes and aspirations we are helping them achieve and that should be our measure of success.
- **You do it** – doing with, using Members' skills and experience, not doing for is the only way to empower people and make change sustainable.
- **Respect** – It is people's lives and aspirations, so they are the experts and decide what happens.
- **Imagination** – we help people think of ingenious solutions to achieve their aims, working with other, like-minded people and organisations to help Members achieve the best they can.
- **No fibs** – we are honest about what we are doing and what the world is really like. We will do what we say we will or explain why we can't.
- **Global** – the approach is universal, how it pans out is individual; we listen to people to make sure we are doing what is right for them.

KeyRing is all about listening to and working alongside people in their local communities so the people KeyRing supports gain greater independence, improve their wellbeing and are part of a Network of contacts and friends.

3. Method: Developing a financial benefits model

The method used to develop a model that illustrates the financial benefits delivered by KeyRing's Network service model is set out below.

3.1. Building a financial benefits model

Service delivery outcomes data was identified for Networks in four Local Authority area: Halton; North East Lincolnshire; Oldham; and Sandwell. This included:

- The circumstances for each person before they became a KeyRing Member (specifically in relation to the types of services they were receiving). The purpose of this data was to identify the types of services people were receiving before becoming a Member (if applicable) and to identify, where possible, the potential costs for local authority funders associated with these previous services.
- The outcomes that the Network has achieved for individual Members including wider 'preventative' outcomes which may include the 'avoidance' of crisis outcomes such as becoming homeless or being admitted to a psychiatric inpatient bed and/or the avoidance or reduction in the incidence of non-crisis outcomes/activity such as contacts by CPNs/social workers.

Discussions were held with KeyRing staff in relation to the service delivery outcomes from the four Networks. This included discussion of the different types of financial benefits potentially delivered by KeyRing's Networks. The identified potential range of financial benefits are set out in section 3.

Discussions were held with local authority officers in relation to service outcomes and the financial benefits delivered by the four identified KeyRing Networks. None of the four authorities appear to systemically record or measure the financial benefits delivered by KeyRing's Networks in their areas.

Limited or no data in relation to the financial benefits delivered by the Networks was available from the four relevant local authorities. These local authorities appear to rely primarily on qualitative data supplied by KeyRing, which is compelling, to understand the outcomes of the KeyRing Network in their areas.

To obtain a more complete picture, discussions were held with other local authorities² to obtain financial benefits data that could be applied to outcomes delivered by KeyRing's Network model in relation to:

² Worcestershire County Council; East Sussex County Council; Eastbourne Borough Council; Telford & Wrekin Council; Bracknell Forest Borough Council; Slough Borough Council; Torbay Council; Gloucestershire County Council

- Cashable savings. This data has been used to identify average or 'typical' data in relation to a cashable saving that could be applied to an outcome provided by a KeyRing Network, for example supporting a person with learning disabilities who was previously living in a residential care home or in a supported housing setting. Suggested financial benefits in relation to cashable savings are identified in section 4.
- Direct cost avoidance This data has been used to identify average or 'typical' data in relation to a directly avoidable cost that could be applied to an outcome provided by a KeyRing Network, for example supporting a young person with disabilities to live in their own home rather than that individual 'transitioning' to a residential care home or supported living service from their family home. Suggested financial benefits in relation to direct cost avoidance are identified in section 4.

Discussions were held with a mix of local authorities including some of the local authorities where the four Networks are located, to identify and establish whether and how these authorities measure the financial benefits of the types of wider preventative outcomes (in addition to any cashable savings and direct cost avoidance benefits) delivered by KeyRing Networks. Whilst all the local authorities consulted were interested in such a model and the evidence of the outcomes it might provide to them, none of them had developed a model for measuring these wider preventative outcomes, either covering non-financial and/or financial benefits.

Therefore, it has been necessary to make a series of assumptions covering:

- The wider preventative benefits of a KeyRing Network. As far as possible this has drawn on evidence of the outcomes for Network Members where it has been possible to identify this. In other cases, conservative estimates of the wider preventative outcomes are used.
- The potential costs avoided or reduced, i.e. the financial benefits, from these wider preventative benefits (in addition to cashable savings and direct cost avoidance). These have been based as far as possible on reliable data sources and reasonable and conservative assumptions.

3.2. Application of the financial benefits model to KeyRing Networks

Based on this approach, estimated financial benefits have been attributed to the range of outcomes delivered by a KeyRing Network covering:

- Cashable savings
- Direct cost avoidance
- Preventative financial benefits

These estimated financial benefits have been applied to the four KeyRing Networks selected for this analysis, to identify the financial benefits delivered by each Network.

3.3. Financial proof of concept

The financial benefits data from the four Networks are used to create a 'typical' KeyRing Network financial benefits model. This is based on the average outcomes and financial benefits from the four Networks. The overall average of financial benefits derived is compared to the average Network cost to provide a **net financial benefit** for a typical Network in order to demonstrate the financial proof of the KeyRing concept.

4. Building a financial benefits model

Based on the approach set out above, the components of a financial benefits model are shown. These cover:

- Types of financial benefits delivered by KeyRing's services.
- Monetary attribution of the proposed financial benefits.
- Linking KeyRing's service delivery outcomes with the proposed financial benefits.

4.1 Types of financial benefits

The approach adopted to developing a financial benefits model for KeyRing's services has been to identify the potential for:

- **Cashable savings** to a local authority that can be directly attributed to KeyRing's service model. A cashable saving occurs where a local authority commissions or uses a service that results in a reduction in their spending occurring.
- **Cost avoidance** is a financial benefit to a local authority that can be directly attributed to KeyRing's service model. Direct cost avoidance occurs where a local authority commissions or uses a service that results in costs being avoided or expenditure occurring at a lower level than would otherwise have been the case without that service being available.
- **Preventative (indirect cost avoidance) financial benefits** arising to a local authority and/or other statutory organisations that can be attributed to KeyRing's service model. Preventative (indirect cost avoidance) occurs where a local authority or other statutory organisation avoids additional costs or incurs expenditure at a lower level than would otherwise have been the case due to the use of that service.

From the review of KeyRing's service at four locations and an understanding of the range of Member needs that KeyRing supports, the evidence of the types of financial benefits that KeyRing's services provide is set out.

Financial benefits: Cashable savings

The potential for cashable savings occurs in circumstances where a person supported by KeyRing was previously funded by a local authority:

- In a residential care home for adults with eligible needs.
- In a residential care home or college for children/young people with eligible needs.
- In a supported housing or 'supported living' setting for adults.
- Using a floating support or other similar support service.

- Using provision for homeless people including hostel and/or temporary accommodation provision, where a person was homeless or was at risk of homelessness.

Financial benefits: Direct cost avoidance

The potential for direct cost avoidance is likely to occur in circumstances where a person supported by KeyRing is:

- A young person or adult living with family/informal carers where the alternative to KeyRing would have been a 'transition' to a residential care placement/residential college.
- A young person or adult living with family/informal carers where the alternative to KeyRing would have been a 'transition' to a supported housing/living package.
- A young person or adult living with family/informal carers where the alternative to KeyRing would have been a 'transition' to a more limited community based support service, e.g. floating support.

Preventative (indirect cost avoidance) financial benefits

The potential for preventative (cost avoidance) financial benefits occurs in circumstances where as a result of a person being supported by KeyRing one or more of the following crisis type outcomes is avoided and/or other non-crisis interventions is avoided.

Crisis outcomes avoided:

- Mental health/psychiatric in-patient hospital admission.
- Tenancy breakdown resulting in homelessness occurring.

Non crisis interventions avoided or reduced:

- Contact with a NHS Community Psychiatric Nurse; providing support for acute and/or enduring mental health needs.
- Contact with by a local authority social worker/care coordinator; providing support with social care eligible needs.
- Contact with a NHS learning disability nurse: providing support in relation to risks associated with living in the community.
- Contact with a local authority/NHS funded drug/substance misuse worker: providing support with needs associated with current alcohol/drug misuse needs.
- Presentations to NHS GP services.
- Presentations to NHS accident & emergency services.

4.2 Quantification of financial benefits

The monetary attribution of the suggested financial benefits from KeyRing’s services is estimated based on:

- Data and feedback from a range of local authorities in relation to cashable savings and direct cost avoidance.
- Published data (table 1), primary and secondary research sources and other evidence in relation to preventative (indirect cost avoidance) financial benefits.

The estimated monetary attribution of these financial benefits and the evidence sources is set out below.

Financial benefits: Cashable savings

Table 1 shows the estimated typical cashable savings that occur in circumstances where a person supported by KeyRing was previously funded by a local authority using other service types.

Table 1. Estimated cashable savings

Previous service type	Estimated cashable saving (£ per annum/£ per week)	Evidence source/s
In a residential care home for adults with eligible needs	£69000/£1327	Average weekly costs of registered care placements in England in 2014/2015 were £1,327 per week ³
In a residential care home or college for children/young people with eligible needs	£69000/£1327	Average weekly costs of registered care placements in England in 2014/2015 were £1,327 per week ⁴
In a supported housing or ‘supported living’ setting for adults	£16588/£319 (£17 p/h)	Average care package cost for people with a learning disability identified from the DWP/DCLG Supported Accommodation Review (2016) ⁵ was £319 per week. LA hourly rates are typically estimated to be approx. £17 p/h
Using a floating support or other similar funded community support service.	£2080/£40	Average floating support unit cost of £40 p/w. Data and feedback from local authorities

³ Personal Social Services: Expenditure and Unit Costs England 2014-15, Final release.

⁴ Ibid

⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf

Previous service type	Estimated cashable saving (£ per annum/£ per week)	Evidence source/s
Using provision for homeless people including hostel and/or temporary accommodation provision	£5916/£113	DWP/DCLG Supported Accommodation Review (2016) ⁶ . £177.5m support spend for 30,000 units. £5916 pa/£113 pw

Financial benefits: Direct cost avoidance

Table 2 shows the estimated direct cost avoidance that occurs in circumstances where a person supported by KeyRing was otherwise likely to have needed an alternative service response funded by a local authority.

Table 2. Estimated cost avoidance

Potential service response	Estimated direct cost avoidance (£ per annum/£ per week)	Evidence source/s
A young person or adult living with family/informal carers where the alternative to KeyRing would have been a 'transition' to a residential care placement/residential college.	£69000/£1327	Average weekly costs of registered care placements in England in 2014/2015 were £1,327 per week ⁷
A young person or adult living with family/informal carers where the alternative to KeyRing would have been a 'transition' to a supported housing/living package.	£16588/£319 (£17 p/h)	Average care package cost for people with a learning disability identified from the DWP/DCLG Supported Accommodation Review (2016) ⁸ was £319 per week. LA hourly rates are typically estimated to be approx. £17 p/h
A young person or adult living with family/informal carers where the alternative to KeyRing would have been a 'transition' to a community based support services, e.g. floating support.	£2080/£40	Average floating support unit cost of £40 p/w. Data and feedback from local authorities

⁶ Ibid

⁷ Ibid

⁸ Ibid

Preventative (indirect cost avoidance) financial benefits

Table 3 shows the estimated wider preventative (indirect cost avoidance) financial benefits that occur in circumstances where as a result of a person being supported by KeyRing one or more of the crisis type outcomes is avoided.

Table 3. Estimated preventative cost avoidance: crisis outcomes

Crisis outcomes avoided	Estimated cost avoidance (£ per annum/£ per week)	Evidence source/s
Mental health/psychiatric in-patient hospital admission	£350 per day; £2,450 per week; £127,400 per annum	Care Quality Commission (2018) ⁹ : £350 per day; £2,450 per week; £127,400 per annum.
Tenancy breakdown resulting in homelessness occurring	£20,128/£387	The cost of a single person sleeping rough in the UK for 12 months is estimated at £20,128. ¹⁰

Table 4 shows the estimated wider preventative (indirect cost avoidance) financial benefits that occur in circumstances where as a result of a person being supported by KeyRing one or more of the suggested non-crisis interventions is avoided or reduced.

Table 4. Estimated preventative cost avoidance: non crisis outcomes

Non crisis service interventions avoided/reduced	Estimated cost avoidance - per visit avoided (£ per annum/£ per week)	Evidence source/s
Contact with a CPN; providing support for acute and/or enduring mental health needs	£1,404/£27	Staff cost estimated at £35k pa (gross). Weekly cost £673. assuming average of 25 client visits p/w, cost per visit is £27. From NHS provider Trust data.
Contact with a social worker/care coordinator; providing support with social care eligible needs	£1,404/£27	Staff cost estimated at £35k pa (gross). Weekly cost £673. assuming average of 25 client visits p/w, cost per visit is £27. Data and feedback from local authorities.
Contact with a learning disability nurse: providing support in relation to risks associated with living in the community	£1,404/£27	Staff cost estimated at £35k pa (gross). Weekly cost £673. assuming average of 25 client visits p/w, cost per visit is £27. From NHS provider Trust data.
Contact with a drug/substance misuse worker: providing support with needs associated	£1,196/23	Staff cost estimated at £30k pa (gross). Weekly cost £576. assuming average of 25 client visits p/w, cost

⁹ https://www.cqc.org.uk/sites/default/files/20180301_mh_rehabilitation_briefing.pdf

¹⁰ Pleace, N. (2015). At what cost? An estimation of the financial costs of single homelessness in the UK. London: Crisis.

Non crisis service interventions avoided/reduced	Estimated cost avoidance - per visit avoided (£ per annum/£ per week)	Evidence source/s
with current alcohol/drug misuse needs		per visit is £23. Data and feedback from local authorities.

Other types of preventative cost avoidance provided by the KeyRing service model, based on evidence from the four Networks analysed, include:

- Reduction in presentations to GP services. The cost of an appointment with a GP is £37¹¹ (for a surgery consultation lasting 9.22 minutes). There is evidence from the four Networks that being a Member does help some individuals to make less inappropriate use of GP appointments; however there is also evidence that KeyRing services assist Members to see a GP when required when previously that may not have been the case.
- Avoidance and/or reduction in presentation to accident & emergency services. The cost of an A&E attendance is £138¹². There is evidence from the four Networks that being a Member does help some individuals to make less inappropriate use of A&E and emergency services.

4.3. KeyRing’s Network service outcomes: associated financial benefits

Table 5 links the impact of KeyRing’s service outcomes with the suggested financial benefits. This forms the basis of the cost benefit model here, demonstrating the financial ‘proof of concept’ of KeyRing’s services.

Table 5. KeyRing Network: Financial benefits

KeyRing service outcomes	Financial benefits
	Estimated cashable saving (£ per annum/£ per week)
Person moves from a residential care home for adults with eligible needs	£69,000/£1,327
Person moves from a residential care home or college for children/young people with eligible needs	£69,000/£1,327
Person moves from a supported housing or ‘supported living’ setting for adults	£16,588/£319 (or £17 p/h)
Person ceases to need a floating support or other similar funded community support service.	£2,080/£40
Person moves from hostel and/or temporary accommodation provision	£5,916/£113

¹¹ https://kar.kent.ac.uk/65559/40/65559_rep_UCR-2017-v13finalKAR.pdf

¹² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/577083/Reference_Costs_2015-16.pdf

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KeyRing service outcomes	Financial benefits
	Estimated direct cost avoidance (£ per annum/£ per week)
A young person or adult living with family/informal carers avoids a 'transition' to a residential care placement/residential college.	£69,000/£1,327
A young person or adult living with family/informal carers avoids a 'transition' to a supported housing/living package.	£16,588/£319 (or £17 p/h)
A young person or adult living with family/informal carers avoids a 'transition' to a community based support services, e.g. floating support.	£2,080/£40
	Estimated 'preventative' cost avoidance (£ per annum/£ per week)
Crisis outcome avoided: Mental health/psychiatric in-patient hospital admission	£350 per day; £2450 per week; £127,400 per annum
Crisis outcome avoided: Tenancy breakdown resulting in homelessness	£20,128/£387
Non crisis service interventions avoided or reduced	Estimated 'preventative' cost avoidance (£ per annum/£ per week)
Visits by a CPN; providing support for acute and/or enduring mental health needs	£1,404/£27
Visits by a social worker/care coordinator; providing support with social care eligible needs	£1,404/£27
Visits by a learning disability nurse: providing support in relation to risks associated with living in the community	£1,404/£27
Visits by a drug/substance misuse worker: providing support with needs associated with current alcohol/drug misuse needs	£1,196/23

5. Application of financial benefit model to KeyRing services

The financial benefits associated with the outcomes of KeyRing's services is shown for the four Networks considered:

- Halton
- North East Lincolnshire
- Oldham
- Sandwell

Table 6 shows how the financial benefits model has been analysed in relation to these four Networks. For each type of financial benefit, the number of Network members it applies to is identified and the associated financial benefit.

The extent of the outcomes and associated financial benefits for each Network is based on a mix of:

- Outcomes data from the Networks; to identify outcomes that can be captured within the cashable savings and direct cost avoidance categories.
- The identified financial benefits in relation to cashable savings and direct cost avoidance.
- Outcomes and descriptive data from the Networks as a basis for assumptions in relation to the degree of impact for wider 'preventative' outcomes. These assumptions are conservative (based on examination of the client level data from the four Networks) and are expressed per annum:
 - 30% of members avoid a psychiatric inpatient admission (lasting 3 weeks).
 - 30% of member avoid becoming homeless.
 - 25% of members no longer require weekly CPN visits.
 - 25% of members no longer require weekly social worker/care coordinator visit.
 - 10% of members no longer require weekly learning disability nurse visits.
 - 20% of members no longer require weekly drug/substance misuse worker visits.

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Table 6. KeyRing service outcomes	Financial benefits	Halton	NE Lincs	Oldham	Sandwell
	Estimated cashable saving (£ per annum/£ per week)				
Person moves from a residential care home for adults with eligible needs		1 person £69,000/£1,327	1 person £69,000/£1,327	2 people £138,000/£2,654	1 person £69,000/£1,327
Person moves from a residential care home or college for children/young people with eligible needs		0	0	0	0
Person moves from a supported housing or 'supported living' setting for adults		1 person £25,584/£492 (actual costs) 1 person (7hrs pw) £6188/£119	1 person £16,588/£319	2 people (5hrs pw) £8,840/£170 4 people £66,352/£1,276	3 people x (14 hrs pw) £37128/£714
Person ceases to need a floating support or other similar funded community support service.		0	0	2 people £4,160/£80	2 people £4,160/£80
Person moves from hostel and/or temporary accommodation provision		2 people £11,832/£226	2 people £11,832/£226	1 person £5,916/£113	0
Sub total		£112,604 pa £2,164 pw	£97,420 pa £1,872 pw	£223,268 pa £4,293 pw	£110,288 pa £2,121 pw
	Estimated direct cost avoidance (£ per annum/£ per week)				
A young person or adult living with family/informal carers avoids		0	0	0	0

Establishing the financial case for KeyRing

Table 6. KeyRing service outcomes	Financial benefits	Halton	NE Lincs	Oldham	Sandwell
a 'transition' to a residential care placement/residential college.					
A young person or adult living with family/informal carers avoids a 'transition' to a supported housing/living package.		1 person £16,588/£319	5 people £82,940/£1,595	5 people £82,940/£1,595	1 person £16,588/£319
A young person or adult living with family/informal carers avoids a 'transition' to a community based support services, e.g. floating support.		1 person £2,080/£40	5 people £10,400/£200	3 people £6,240/£120	1 person £2,080/£40
Sub total		£18,668 pa £359 pw	£93,340 pa £1,795 pw	£89,180 pa £1,715 pw	£18,688 pa £359 pw
	Estimated 'preventative' cost avoidance (£ per annum/£ per week)				
Crisis outcome avoided: Mental health/psychiatric in-patient hospital admission		4 people £29,400/£565	9 people £66,150/£1,272	44 people £323,400/£6,219	9 people £66,150/£1,272
Crisis outcome avoided: Tenancy breakdown resulting in homelessness		4 people £80,512/£1,548	9 people £181,152/£3,483	44 people £885,632/£17,031	9 people £181,152/£3,483
Sub total		£109,912 pa £2,113 pw	£247,302 pa £4,755 pw	£1,209,032 £23,250	£247,302 pa £4,755 pw

Establishing the financial case for KeyRing

Table 6. KeyRing service outcomes	Financial benefits	Halton	NE Lincs	Oldham	Sandwell
Non crisis service interventions avoided or reduced	Estimated 'preventative' cost avoidance (£ per annum/£ per week)				
Visits by a CPN; providing support for acute and/or enduring mental health needs		3 people £4,212/£81	7 people £9,828/£189	37 people £51,948/£999	7 people £9,828/£189
Visits by a social worker/care coordinator; providing support with social care eligible needs		3 people £4,212/£81	7 people £9,828/£189	37 people £51,948/£999	7 people £9,828/£189
Visits by a learning disability nurse: providing support in relation to risks associated with living in the community		1 person £1,404/£27	3 people £4,212/£81	15 people £21,060/£405	3 people £4,212/£81
Visits by a drug/substance misuse worker: providing support with needs associated with current alcohol/drug misuse needs		2 people £2,392/£46	6 people £7,176/£138	30 people £35,880/£690	6 people £7,176/£138
Sub total		£12,220 pa £235 pw	£31,045 pa £597 pw	£160,836 pa £3,093 pw	£31,045 pa £597 pw

The application of the financial benefits model to these four KeyRing Networks, based on outcomes and associated financial benefits identified in table 6, is summarised in table 7. For each Network the separate categories of financial benefits are identified:

- Cashable savings.
- Direct cost avoidance.
- Preventative financial benefits.

Whilst undoubtedly a reality, the nature of the preventative financial benefits means that, at this stage, the estimated preventative financial benefits are *excluded* from this calculation; further discussion of their applicability and robustness, and whether other preventative outcomes/financial benefits should be included would be appropriate.

Table 7 shows the **total financial benefit** for each Network based on cashable savings and direct cost avoidance.

Table 7. Identified financial benefit of four KeyRing Networks

Financial benefits		Halton	NE Lincs	Sandwell	Oldham
Cashable savings	Per annum	£112,604	£97,420	£110,288	£223,268
	Per week	£2,164	£1,872	£2,121	£4,293
Direct cost avoidance	Per annum	£18,668	£93,340	£18,688	£89,180
	Per week	£359	£1,795	£359	£1,715
<i>Preventative financial benefits</i>	<i>Per annum</i>	<i>£122,132</i>	<i>£278,347</i>	<i>£278,347</i>	<i>£1,369,868</i>
	<i>Per week</i>	<i>£2,348</i>	<i>£5,352</i>	<i>£5,352</i>	<i>£26,343</i>
Total financial benefits (cashable savings and cost avoidance)	Per annum	£131,272	£190,760	£128,976	£312,448
	Per week	£2,523	£3,667	£2,480	£6,008

6. Financial proof of concept

To illustrate the financial proof of the KeyRing concept, the following approach has been used to show the financial benefits of a 'typical' KeyRing Network/s:

- Typical service outcomes have been identified based on the actual service outcomes data from the Halton, NE Lincolnshire, Oldham and Sandwell Networks.
- The associated financial benefits have been identified based on the financial benefits model in relation to
 - Cashable savings.
 - Direct cost avoidance.
 - Preventative financial benefits.
- The net financial benefit is calculated for a 'typical' KeyRing Network/s.

The breakdown of the outcomes of a 'typical' KeyRing Network/s across 30 Members (i.e. the equivalent of 3 Networks of approximately 10 members per Network) and the associated categories of financial benefits from which this overall net financial benefit is derived is shown in table 8. This is based on the average typical outcomes from the Halton, NE Lincolnshire, Oldham and Sandwell Networks.

Table 8. Financial benefits of a cluster of 3 'typical' KeyRing Networks (30 Members)

KeyRing service outcomes	Financial benefits
	Estimated cashable saving (£ per annum/£ per week)
Person moves from a residential care home for adults with eligible needs	2 people £138,000/£2,654
Person moves from a residential care home or college for children/young people with eligible needs	0
Person moves from a supported housing or 'supported living' setting for adults	2 people £33,176/£638
Person ceases to need a floating support or other similar funded community support service.	2 people £4,160/£80
Person moves from hostel and/or temporary accommodation provision	2 people £11,832/£227
Sub total	£187,168/£3,599
	Estimated direct cost avoidance (£ per annum/£ per week)
A young person or adult living with family/informal carers avoids a 'transition' to a residential care placement/residential college.	0
A young person or adult living with family/informal carers avoids a 'transition' to a supported housing/living package.	3 people £49,764/£957

KeyRing service outcomes	Financial benefits
A young person or adult living with family/informal carers avoids a 'transition' to a community based support services, e.g. floating support.	2 people £4,160/£80
Sub total	£53,924/£1037
	Estimated 'preventative' cost avoidance (£ per annum/£ per week)
Crisis outcome avoided: Mental health/psychiatric in-patient hospital admission	9 people £66,150/£1,272
Crisis outcome avoided: Tenancy breakdown resulting in homelessness	9 people £181,152/£3,483
Sub total	£247,302/£4,755
Non crisis service interventions avoided or reduced	Estimated 'preventative' cost avoidance (£ per annum/£ per week)
Visits by a CPN; providing support for acute and/or enduring mental health needs	7 people £9,828/£189
Visits by a social worker/care coordinator; providing support with social care eligible needs	7 people £9,828/£189
Visits by a learning disability nurse: providing support in relation to risks associated with living in the community	3 people £4,212/£81
Visits by a drug/substance misuse worker: providing support with needs associated with current alcohol/drug misuse needs	6 people £7,176/£138
Sub total	£31,045/£597

The summary net financial benefit of a 'typical' KeyRing Network/s across 30 Members (i.e. the equivalent of 3 Networks of approximately 10 members per Network) that is derived from the service outcomes and associated financial benefits (from table 8) is shown in table 9.

Table 9. Summary financial benefits of a cluster of 3 'typical' KeyRing Networks (30 Members)

Financial position		Typical Network	
		No. of applicable Members ¹³	
Financial benefits			
Cashable savings	Per annum (PA)	8	£187,168
	Per week (PW)		£3,599
Direct cost avoidance	Per annum	5	£53,924
	Per week		£1,037
<i>Preventative financial benefits</i>	<i>Per annum</i>		<i>£278,347</i>
	<i>Per week</i>		<i>£5,352</i>
Total financial benefits (excluding preventative financial benefits)			
	Per annum		£241,092
	Per week		£4,636
Total no. of applicable Members		13	
Average financial benefit across 30 Members	PA/per Member		£8,036
	PW/per Member		£154
Network cost (30 Members)	PA across 3 Networks		£109,950
	PA/per Member		£3,665
	PW/per Member		£70
Average net financial benefit (excluding preventative financial benefits)	PA across 3 Networks		£131,142
	PA/per Member		£4,371
	PW/per Member		£84

In practice this shows that a 'typical' KeyRing Network/s of 30 members (i.e. the equivalent of 3 Networks of approximately 10 members per Network) generates the following benefits.

Cashable savings of £187,168 per annum/£3,599 per week based on the following outcomes:

- 2 people moving from a residential care home.
- 2 people moving from a supported housing or 'supported living' setting.
- 2 people ceasing to need a floating support or other similar support service.
- 2 people moving from hostel and/or temporary accommodation provision.

Cost avoidance of £53,924 per annum/£1,037 per week based on the following outcomes:

¹³ Members with applicable financial benefits: cashable savings or direct cost avoidance

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- 3 young people living with family/informal carers avoiding a 'transition' to a supported housing/living package.
- 2 young people living with family/informal carers avoiding a 'transition' to a community based support service, e.g. floating support.

The total financial benefit of this cluster of 3 typical KeyRing Networks is £241,092 per annum.

The net financial benefit, i.e. after the annual cost of a 30 Member Network, is £131,142 per annum.

In addition, it is estimated that the typical KeyRing Network generates wider preventative financial benefits from the avoidance of crisis and non-crisis outcomes of £278,347 per annum/£5,352 per week .

This financial proof of concept can be used:

- To illustrate the potential service outcomes and associated financial benefits for a typical KeyRing Network to potential commissioners.
- To illustrate the actual service outcomes and associated financial benefits for a specific KeyRing Network to existing commissioners.
- To illustrate the actual and/or potential service outcomes and associated financial benefits for a specific and/or typical KeyRing Network to other stakeholders.
- To aggregate the financial benefits of a number of, or all of, KeyRing's Networks, compared with the costs, to demonstrate the wider/overall net financial benefits delivered from KeyRing's service model.