

## Information Pack

### Policy Think Tank *Supported Housing*

Monday 20<sup>th</sup> – Tuesday 21<sup>st</sup> February 2017  
Trafford Hall



LSE Housing & Communities produced this Information Pack for the purpose of the Supported Housing Think Tank at Trafford Hall on 20<sup>th</sup>-21<sup>st</sup> February 2017. It provides participants with some statistics, interesting articles and other resources relevant to the topic of the Think Tank. The Pack includes web-based information found on 13<sup>th</sup> February 2017. We take full responsibility for any inaccuracies or mistakes we might have made.

### About the Housing Plus Academy

The Housing Plus Academy is a partnership between 15 leading housing associations and local authorities, the National Housing Federation, the Chartered Institute of Housing, the University of Manchester, the Scottish Federation of Housing Associations, the National Communities Resource Centre at Trafford Hall and LSE Housing and Communities. The Joseph Rowntree Foundation also supports work of the Housing Plus Academy.

The Academy has been developed to promote knowledge exchange and participative learning among frontline staff and tenants of social landlords. The Academy tackles burning problems affecting social landlords today, particularly welfare reform, financial pressure, energy saving, work and skills, community enterprise, and resilience.

Supported by



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The Housing Plus Academy reflects the diversity of social housing among our staff, tenants and customers because we believe that diversity gives us access to better ideas, innovation and solutions. Recognising the benefits of diversity means that we would like to invite more people from a wide variety of backgrounds to join us. So, for example, if you have a different thinking style, are from an ethnic minority background, are younger, or perhaps you have a disability, your experience will be invaluable in keeping us current and relevant, and will be welcome.

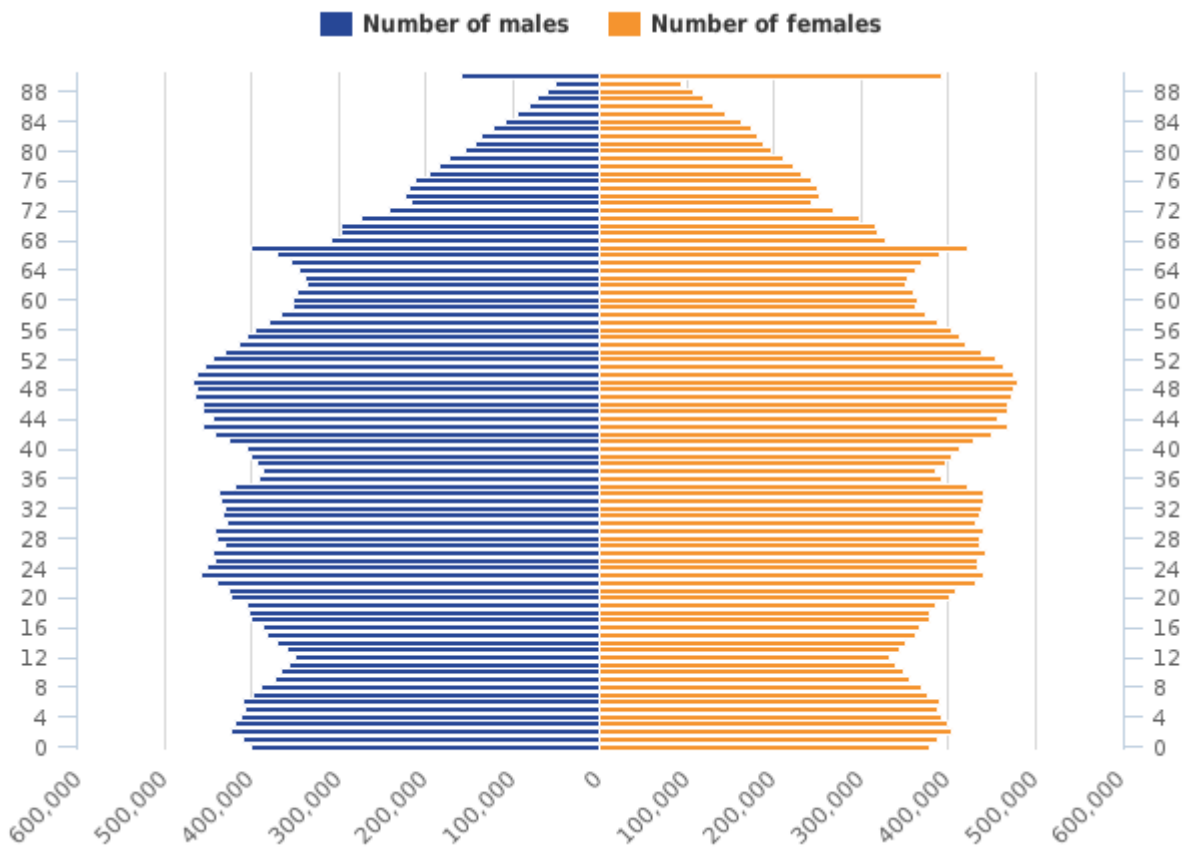
## Contents

1. Statistics on an aging population .....	5
2. <i>Passing the buck</i> – Inside Housing .....	9
3. Strengthening the case for supported housing: the cost consequences – Sitra report for the National Housing Federation .....	14
4. Written ministerial statement on Supported Housing – November 2016 .....	15
5. Paying for supported housing – December 2016 .....	17
6. <i>Ministers' view: we will protect supported housing</i> – Inside Housing .....	19
7. <i>Supported housing plan will not work</i> – Inside Housing .....	21
8. <i>Placeshapers calls for national supported housing fund</i> – Inside Housing .....	23
9. <i>Supported housing: the new North-South divide</i> – Inside Housing.....	24
10. <i>Coping with the cap</i> – Inside Housing .....	25
11. North Tyneside Council: Supporting independence, improving health and well-being for tenants - Innovation of the year, UK Housing Awards 2014.....	28
12. <i>Three factors that make a supported housing scheme a success</i> – The Guardian .....	29



# 1. Statistics on an aging population

Figure 1: UK population by single year of age - 2014<sup>1</sup>



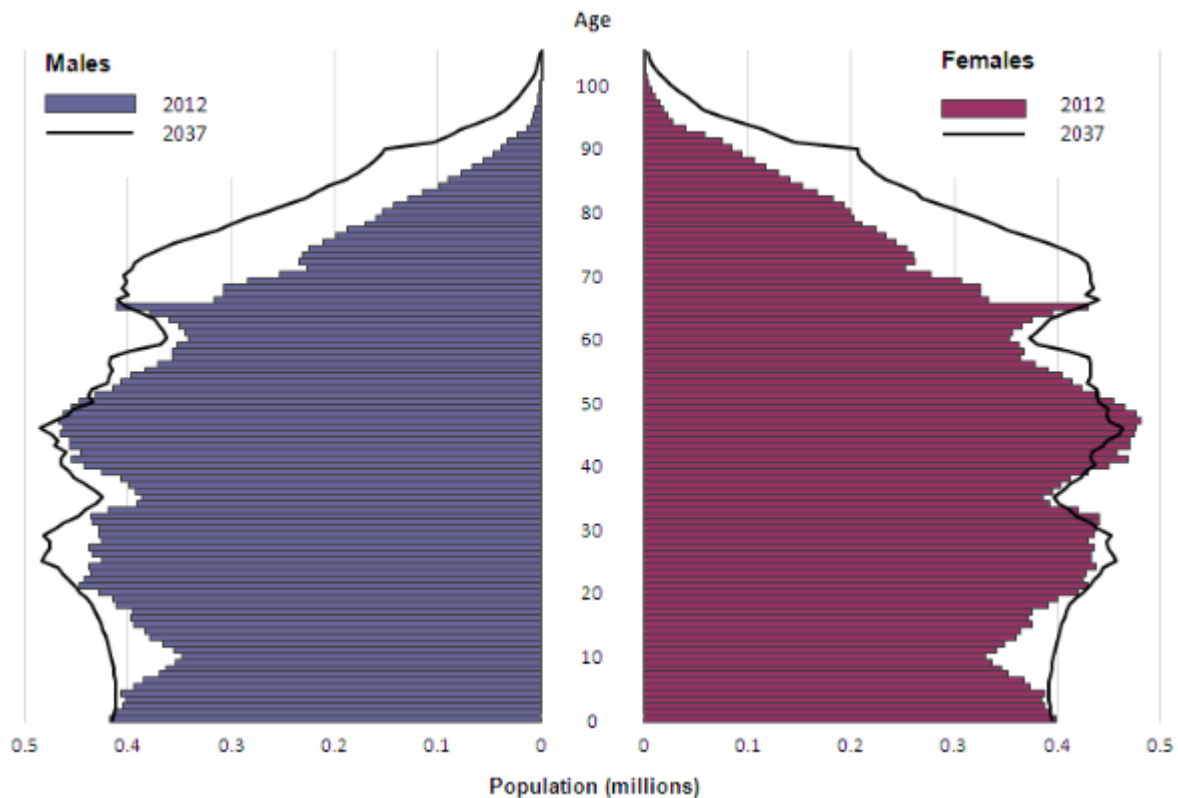
Source: ONS

Figure [1] shows several events that affected the UK population. The spike in births after the end of World War II can be seen in the relatively large number of 67-year-olds when compared with 68-year-olds in 2014. The 1960s’ baby boom can be seen in the relatively large number of people who were aged in their mid-40s to mid-50s. The low fertility of the 1970s can be seen in the relatively small number of people in their mid-30s to early-40s. In the 1980s, the 1960s’ baby boomers would have started to have children; this can be seen in Figure [1] in the relatively high number people in their 20s through to mid-30s. The low fertility in the early 2000s can be seen in the relatively small number of those in their early teens.

The figure also shows that the shape of the UK population by age was broadly similar for males and females in 2014. At older ages women begin to outnumber men; this shows up particularly in the final grouped age band: 90 and over.

<sup>1</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/february2016>

Figure 2: Estimated and projected age structure of the United Kingdom population, mid-2012 and mid-2037<sup>2</sup>



Source: ONS

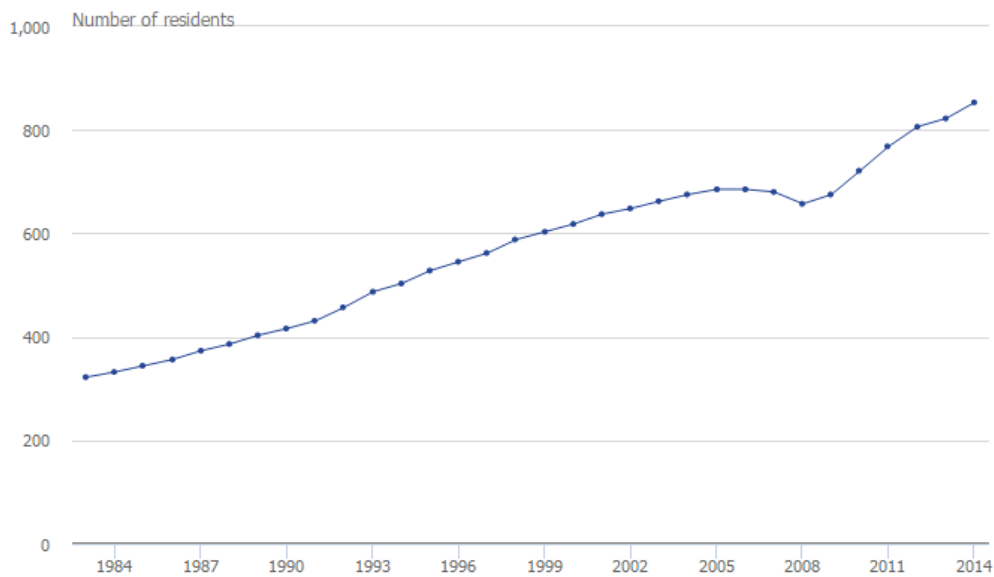
A population pyramid is a good way of illustrating the age and sex structure of the population. Figure [2] represents the population of the UK as estimated in mid-2012 and projected for mid-2037. Each bar in the pyramid represents a single year of age and the length of the bar relates to the number of people of that age in the population. The size and composition of the population is determined by the pattern of births, deaths and migration which have taken place in previous years. The solid bars represent the estimated population for mid-2012 and the lines represent the projected population for mid-2037.

Looking at the projected population at mid-2037, we can see that:

- The projected increase in the numbers of children is at school age rather than pre-school age
- The working aged population will remain broadly similar
- What is most marked is the increase in the population at older ages as the large number of the population who were born in the 1960s become over 70

<sup>2</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/2013-11-06>

**Figure 3: UK residents aged 90 and over per 100,000 UK residents, 1983 to 2014<sup>3</sup>**



Source: ONS

The figure shows that the proportion of population aged 90 or over has been steadily increasing since the early 1980s. There was a decrease in the mid-2000s, because of the effects of World War I, including associated changes in birth cohort size, as well as the influenza pandemic in the early 20th century.

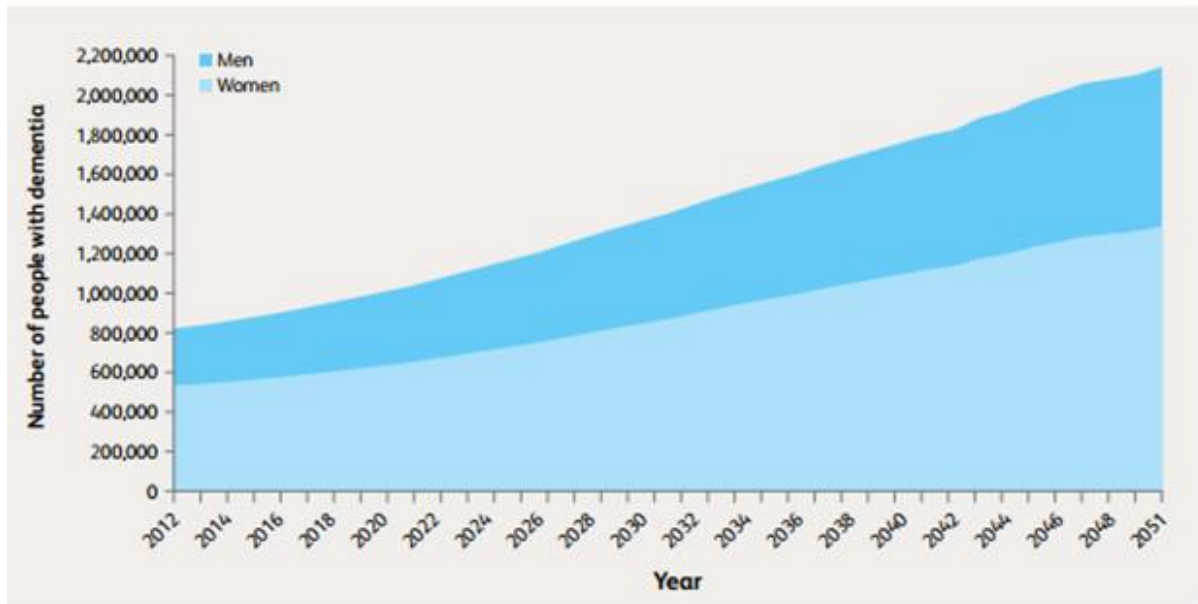
While living longer is a cause for celebration, an ageing population becomes a concern as there may be fewer people of working age to support those of pension age. The old age dependency ratio (OADR) shows the relative size of the working-age and pensioner populations, which is the number of people of or above state pension age (SPA) for every 1,000 people of working age. While the relationship is complicated by whether those of working age and pension age are economically active, it provides a good indicator of the issue.

The OADR was steady at around 300 from the 1980s to 2006, but then rose as women born in the post World War II baby boom reached SPA. In the absence of any increases to SPA, the OADR is projected to reach 487 by 2037. However, as a result of planned SPA increases taking place between 2010 and 2046 under current legislation, the population projections suggest that, if current demographic trends continue, in 2039 there would be 370 people of or above SPA for every 1,000 people of working age. This increase in the OADR means that there will be fewer people of working age to support a larger population over SPA.

International migration affects the OADR in the short-term since migrants tend to be of working age. The population projections suggest that if there was no international migration, in 2039 there would be 406 people of or above SPA for every 1,000 people of working age. This implies that international migration is projected to reduce the OADR by 36 people of SPA or above for every 1,000 people of working age.

<sup>3</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/february2016>

Figure 4: Projected increases in the number of people with dementia in the UK (2012–2051)<sup>4</sup>



Source: Dementia UK

### Who is affected?<sup>5</sup>

There are 850,000 people with dementia in the UK, with numbers set to rise to over 1 million by 2025. This will soar to 2 million by 2051.

225,000 will develop dementia this year, that's one every three minutes.

1 in 6 people over the age of 80 have dementia.

70 per cent of people in care homes have dementia or severe memory problems.

There are over 40,000 people under 65 with dementia in the UK.

More than 25,000 people from black, Asian and minority ethnic groups in the UK are affected.

### How much does it cost?

Two thirds of the cost of dementia is paid by people with dementia and their families.

Unpaid carers supporting someone with dementia save the economy £11 billion a year.

Dementia is one of the main causes of disability later in life, ahead of cancer, cardiovascular disease and stroke. As a country we spend much less on dementia than on these other conditions.

<sup>4</sup> Dementia UK Update (2<sup>nd</sup> Edition) (2014). Alzheimer's Society, Figure 4.3, p.46, available from: <http://www.alzheimers.org.uk/dementiauk>

<sup>5</sup> [https://www.alzheimers.org.uk/info/20027/news\\_and\\_media/541/facts\\_for\\_the\\_media](https://www.alzheimers.org.uk/info/20027/news_and_media/541/facts_for_the_media)



## 2. *Passing the buck* – Inside Housing

*Published on Inside Housing on 30 September 2016, by Emily Twinch*

Last November, housing staff at Home Group were confronted with a tenant claiming to have a bomb in his bag; also last year, an officer from an unnamed housing provider claims to have been held hostage by a man who believed there was an alien outside his home. Perhaps unsurprisingly, the tenants in both incidents had mental health issues.

*Inside Housing's Safety at Work survey*<sup>6</sup>, published in June, revealed a litany of threats to staff or incidents in which they could not access homes for repair works. Again, these situations often involved tenants with unsupported mental health needs.

Frontline staff are compiling anecdotal evidence of growing numbers of tenants with mental health issues ending up in general needs housing, where they do not receive the help provided in specialist supported housing. But is this actually the case? And if so, what can be done to improve the situation?

Figures obtained under the Freedom of Information (FOI) Act show a 14% drop in spending on mental health in supported housing since 2011/12 among the 47 English councils that responded to the question in full. In 2011/12, the councils' combined budget, including both commissioned services and those they pay for directly, was £50.9m; this year's budget is £43.6m.

This squeeze on council spending has in turn put pressure on other housing providers. "We have noticed councils are seeking to reduce the amount of specialist accommodation they procure for adults with mental illness," says Alex Reeve, regional director of London supported housing at Family Mosaic.

Mr Reeve adds that town halls are "increasingly asking landlords to provide the required support", with accommodation paid for by housing benefit.

Home Group chief executive Mark Henderson, who revealed the incident of the man who claimed to have a bomb in a column for *Inside Housing* in January<sup>7</sup>, says that his organisation has seen "the complexity and prevalence of poor mental health increase" in the 40 years it has provided supported housing.

In the incident in question, the man was actually holding a lit firework and suffered life-changing injuries when it exploded.

The example shows the urgency of the problem for many frontline staff, but as Mr Henderson wrote in January: "Simply throwing money at the issue won't solve the problem."

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<sup>6</sup> <http://www.insidehousing.co.uk/how-safe-are-you-at-work/7015499.article>

<sup>7</sup> <http://www.insidehousing.co.uk/mental-health-matters/7013315.article>

He continues: “We’re often the first point of contact when people have issues, and through more integrated working, we have the potential to help tackle issues at an early stage before they reach crisis levels. But the key to success is integration.”

Money might not be the answer, but it is a start. Yet supported housing has been operating within a constricted funding environment for years.

Supporting People funding - a national programme for housing-related support made available to councils in England - dropped from £1.8bn when it started in 2003 to £1.6bn in 2014/15. That 11% fall equates to 38% in real terms.

Ministers have given supported housing a one-year exemption from the 1% rent reduction announced in last year’s summer Budget, while earlier this month the government said it would transfer top-up money to councils for the service to counter its planned housing benefit cap. But supported housing providers say the threat of funding cuts has already affected business.

Among the 250 councils that responded at least in part to Inside Housing’s FOI requests, there is a wide range of provision for tenants with mental health conditions: some have specialist units, some do not; a handful have floating support for their general needs stock, most do not; others have budgets for specific conditions - such as hoarding - while others have no housing budget at all allocated to people with mental health needs.

Recent statistics from the charity YoungMinds suggests the nation’s mental health is worsening, with a 68% increase in the numbers of young people admitted to hospital because of self-harm over the past 10 years.

Meanwhile, the dwindling supply of mental health beds across the country is leading to more people in need turning up on the doorsteps of housing providers.

NHS figures reveal 23,253 beds were available for people with mental health needs in England between April and June 2011. By the same quarter in 2013 that number had dropped to 22,109, while this year it was just 18,919 beds.

Chris Hampson, chief executive of Look Ahead, which provides care, support and housing services across London and the South East, says that this has resulted in councils cutting back on supporting those with lower-level mental health issues to concentrate on those with more acute needs.

“Boroughs are stretched. A lot of the preventative services have been cut back or [have become] floating support for low-level needs.”

He says this is a “short-sighted” solution. “If you take money out of the lower-end preventative services, in the long run, more money is spent because people end up back on the streets or in hospital.”

He feels it is still better for people with mental health issues to be treated in the community, but that money should be shifted from the NHS to councils to allow them to provide wrap-around services for people who need them.

Richard Colwill, media manager at mental health charity Sane, says the FOI results show the “budgetary crisis” across the board for mental health provision, which is of “deep concern” for the charity.

“Mental health has always been a ‘Cinderella service’,” he explains, but cuts to services are a “false economy”. “If people do not have early support they risk becoming more unwell, which can affect their prospects for recovery.

“Care in the community only works if there is provision for people in the community. Housing is a really big issue for us. Losing a home or being in fear of losing your home can be a trigger to push someone into crisis.”

### ***Exceptions to the rule***

While most councils have cut spending on mental health in supported accommodation, the FOI responses reveal some exceptions.

In 2016/17 Ealing spent £1.6m on mental health in supported housing, up from £1.2m in 2011/12.

“We recognise the benefits of supported living in enabling people to live as independently as possible in the borough while getting appropriate care from professionals,” a spokesperson for Ealing says.

“We also find that supporting people to live in the local area near to family and friends can have a positive impact on their well-being.”

Some housing associations are also bolstering mental health services. Midland Heart has made steps to tackle the issue and has been piloting a so-called ‘people team’ since December last year. The team is made up of housing officers who pinpoint the root causes of reports of anti-social behaviour, which is often caused by mental health issues.

While one team carries on with routine housing management duties for other tenants, a secondary team gives a more supportive service to tenants engaging in anti-social behaviour. This help can include linking people to the right services they need - such as mental health teams or charities - and helping them keep up with the rent.

Nigel Collumbell, head of neighbourhoods at Midland Heart, says: “By investing time and energy into really understanding the needs of our customers, we have helped to address what could initially appear to be a tenancy problem, to find a much more complex issue - such as supporting a customer who is experiencing mental health issues.

“In their first six months of operation our new people team have successfully supported nine out of 10 customers to sustain their tenancies using a case management approach.”

The 'second team' has had specific training on safeguarding and mental health, and will have more in the future.

Mr Collumbell says one problem the team often encounters is getting necessary information from the health services. "These hurdles to obtaining information can sometimes mean we stay involved with tenants for longer than we would otherwise need to because getting to the root cause of their behaviour is more difficult."

A partnership of 40 housing associations in Birmingham is tackling this problem. Alan Moorhouse, project manager of Birmingham Social Housing Partnership (BSHP) - which works to strengthen relationships between housing associations and other organisations - has been working to improve communication between housing providers and mental health workers.

"We talked to housing professionals in the summer last year and asked: 'What are the big issues?' The top one was mental health.

"A big driver for us was feedback from professionals recognising poor mental health was having a big impact on tenancy sustainment."

### ***Sharing information***

The group has set up a monthly working group with councils, housing providers and mental health workers.

"We are encouraging information sharing and developing more effective discharge procedures," Mr Moorhouse adds. "If someone comes out of a mental health trust setting we want to ensure the housing provider is aware of any issues that may affect tenancy sustainment and can arrange the right kind of tenancy support."

In Yorkshire, Wakefield Council is another bucking the trend, with its supported housing mental health budget growing 15% in the past five years. It is also developing an innovative strategy to address the issue.

Wakefield and District Housing has partnered with NHS Wakefield Clinical Commissioning Group to employ mental health support workers to work with tenants. The council, which still manages the local housing register, can give applicants with mental health needs extra priority.

Jon Feasey, a service manager for vulnerable adults at Wakefield Council, says: "We see it [tackling mental health] as an important frontline service. It has a preventative outcome that can create real efficiencies by preventing homelessness."

He believes the right place for people with mental health needs is in the community but that people need support in their homes - including those with lower level, less acute, mental health needs, who can slip through the net.

As well as preventing homelessness the support can also help “reduce unplanned hospital admissions”, Mr Feasey states.

As the number of people needing care in the community grows, housing providers will need to have systems in place to deal with the cases that will come their way. Otherwise, they will likely see more issues with rent arrears, anti-social behaviour and safeguarding for staff and other tenants.

Some are taking action, but with dwindling funds available, those on the frontline see greater integration with health services and a focus on prevention as the best way ahead.

### **Care in the community**

People with mental health needs have increasingly been living in the community since the 1950s as society has moved away from the psychiatric institutions of the Victorian age. The Mental Health Act 1959 encouraged care in the community. Some 150,000 beds in mental health hospitals disappeared between that year and 1975, according to the BBC. At the same time, large-scale psychiatric hospitals closed.

The Community Care Act 1990, which was the first major reform of the NHS since it began in 1948, established local authorities’ duty to assess anyone who appeared to need care in the community.

Health and housing have been developing close links in recent years, including the provision for people with mental health. In March 2015 an NHS England mental health task force was set up and a national strategy published in February 2016 as a response to its final report.

The report recommended the creation of prevention plans in every community across England to “help integrate public health, social care and housing, and improve mental health outcomes, with mental health champions in each community”.

### 3. Strengthening the case for supported housing: the cost consequences – Sitra report for the National Housing Federation

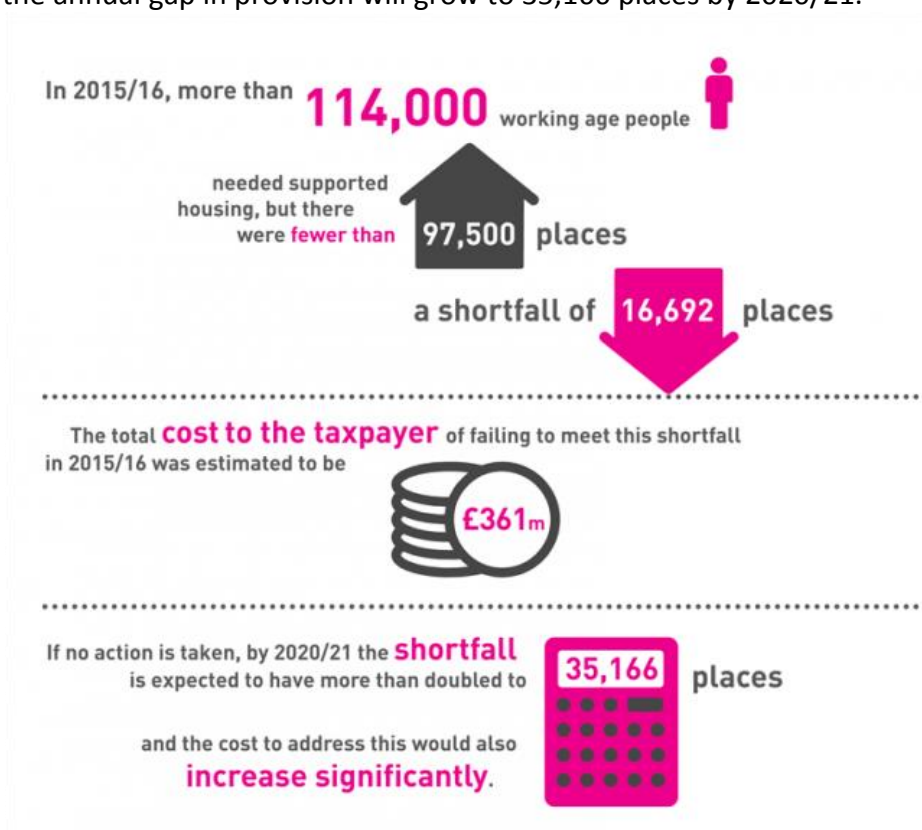
**This report looks at the shortfall in supported housing place for working age people in England and considers the cost to the taxpayer of not taking action to meet this need.**

The National Housing Federation commissioned Sitra to carry out this research, which follows on from the 2015 report, Supported Housing: Understanding Need and Supply. It is intended to contribute to the ongoing debate around the future funding of supporting housing.

The research identifies the current levels of need for different types of supported housing, and whether there is any shortfall in the number of available places required to meet this need.

In 2015/16 there were 114,135 working age people were in need of supported housing in, but the study estimates that in there were 97,443 place available. This is a shortfall of 16,692 places.

It is calculated that it would cost just over £128m in revenue costs to meet this shortfall, whereas it is estimated to cost the taxpayer £361m in additional services. If current trends continue, the annual gap in provision will grow to 35,166 places by 2020/21.



Full report available on NHF website at the following link:  
<http://www.housing.org.uk/resource-library/browse/strengthening-the-case-for-supported-housing-the-cost-consequences/>

## 4. Written ministerial statement on Supported Housing – November 2016<sup>8</sup>

**Department for Work and Pensions**

**Made on: 21 November 2016**

**Made by: Damian Green (The Secretary of State for Work and Pensions)**

One of the Government's key commitments is to protect the most vulnerable. Supported housing supports hundreds of thousands of the most vulnerable people across the country. A safe, stable and supportive place to live can be key to improving people's lives, and for many it is a stepping stone to independent living in the longer term. The Government values the role supported housing plays and is committed to protecting and boosting the supply of supported housing and ensuring it provides value for money and works for those who use it as well as those who pay for it.

On 15<sup>th</sup> September I announced how from 2019/20 we will be introducing a new funding model for Supported Housing. This will ensure that the sector continues to be funded at the same level it would have otherwise been in 2019/20, taking in to account the effect of the Government policy on social sector rents. From 2019/20, core rent and service charges will continue to be funded through Housing Benefit or Universal Credit up to the level of the applicable Local Housing Allowance rate. For costs above the level of the Local Housing Allowance rate, Government will devolve an amount of funding for disbursement locally. In England, we will devolve funding to local authorities to provide additional 'top up funding' to providers where necessary, reflecting the higher average costs of offering supported housing, compared to general needs. An equivalent amount will be provided to the Devolved Administrations and it will be for them to decide how best to allocate the funding.

Until 2019/20 the application of the Local Housing Allowance rate to supported housing will be deferred. This measure confirms the Government will continue to provide support for those who require supported housing and ensures providers can have the confidence they need to invest in new development.

I set out in my statement of 15<sup>th</sup> September 2016 my intention to consult on the implementation of this new funding model and committed to publishing a consultation.

Today, along with my Right Honourable Friend, the Secretary of State for Communities and Local Government, we are publishing a consultation document to develop the detail that will underpin the new funding model. We are also publishing the evidence review of supported accommodation in Great Britain, jointly commissioned by my Department and the Department for Communities and Local Government at the end of 2014. The review has provided a helpful insight in to the scale, scope and cost of the sector.

Furthermore, I am able to announce today, a simplification and alignment of the application of the Local Housing Allowance policy for general needs accommodation, in light of the

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<sup>8</sup> <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-11-21/HCWS273/>

changes that have been made to supported housing. We propose to bring in the policy for general needs accommodation in the Social Rented Sector in 2019, instead of 2018 as previously announced, to align with the changes to supported housing.

For Housing Benefit it will apply, as announced at Autumn Statement 2015, to tenants who have signed new or re-let tenancies from 1 April 2016 and their social sector rent is higher than the Local Housing Allowance rate. Those on Housing Benefit who took their tenancy before April 2016 will not be affected.

For Universal Credit, to ensure simplicity and a streamlined process, Local Housing Allowance rates will apply to all new and existing tenants, again only where their social rent is higher than the relevant Local Housing Allowance rate.

People moved by the Department from Housing Benefit to Universal Credit after April 2019 whose overall benefit entitlement is lower will be protected, in cash terms, under transitional protection arrangements. On reaching state pension age Universal Credit claimants flowing back on to Housing Benefit with tenancies signed before April 2016 will also be protected.

Additional Discretionary Housing Payments were made available at Autumn Statement 2015 to protect the vulnerable and help people make the transition to the new rules.



## 5. Paying for supported housing – December 2016<sup>9</sup>

**This House of Commons Library briefing paper explains the impact of the Government's policy of requiring rent reductions, and also the application of Local Housing Allowance caps, on the supported housing sector. The sector has argued that the measures threaten its viability. On 15 September 2016 the Government announced that LHA caps will apply in 2019/20.**

### **What is supported housing?**

Supported housing covers a range of different housing types, including group homes, hostels, refuges, supported living complexes and sheltered housing. Rent levels in supported housing tend to be higher than those charged for similar accommodation in the private sector.

### **Housing Benefit for supported housing residents**

For those residents who are eligible to receive Housing Benefit, it can help with all or part of their rent payments. Supported housing that meets certain criteria is treated as 'exempt accommodation' for Housing Benefit purposes. As such, the Housing Benefit Regulations, which limit rents to defined local levels have not applied to accommodation where the landlord (housing association or voluntary organisation) provides "care, support or supervision." In 2014 the DWP introduced a new category of "specified accommodation" in response to concerns in the sector about the impact of certain Housing Benefit reforms.

### **2011 proposals**

In July 2011 the Coalition Government published Housing Benefit Reform – Supported Housing in which it set out proposals to reform the way in which Housing Benefit is treated for claimants living in certain types of supported housing. The Government argued that reform was necessary because of: the complexity of the current system; rising expenditure; and also the introduction of Universal Credit. Consultation closed on 9 October 2011. In September 2012 the Government said that help toward housing costs for those living in supported 'exempt' accommodation would be provided outside of Universal Credit. No other changes to Housing Benefit entitlement were made at that time.

### **1% rent reductions and Local Housing Allowance caps**

The Summer Budget 2015 saw the announcement of rent reductions for social housing landlords. Measures included in the *Welfare Reform and Work Act 2016* require these landlords to reduce their rents by 1% in each year for four years from April 2016. This was followed by the Spending Review and Autumn Statement 2015 during which the Chancellor announced an intention to cap the amount of rent that Housing Benefit will cover in the social rented sector to the relevant Local Housing Allowance level, which is the rate paid to most private renters on Housing Benefit. This policy is still under development; there is no legislation currently before Parliament concerning this measure. Providers of supported housing argue that, given their higher rent levels and slim operating margins, the measures would have a particularly detrimental impact on revenue streams and would threaten the viability of existing and future schemes. The sector has called for an exemption for supported housing from both of these measures, arguing that supported housing delivers average net

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<sup>9</sup> <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06080>

savings to the public purse of around £940 per resident per year and that demand for this type of accommodation is growing.

### **Delayed implementation pending the outcome of an evidence review**

The Government subsequently announced a one-year exemption for the supported housing sector from the 1% rent reduction. A one-year delay in applying Local Housing Allowance caps to residents in supported housing was also announced. The DWP and DCLG jointly commissioned an evidence review to look at the size and scope of the supported housing sector.

### **Government announcement 15 September 2016**

On 15 September 2016 the Secretary of State announced a further delay in applying LHA rates in the supported housing sector to 2019/20. At the point of implementation the rates will apply to all supported housing residents in receipt of Housing Benefit. At the same time, a new funding model will be introduced under which local authorities in England will receive ring-fenced funding to meet the shortfall between the LHA rates and the cost of provision. Local authorities will allocate this funding to housing providers. Scotland and Wales will also receive a funding allocation. The Government also announced that the Shared Accommodation Rate for claimants under 35 will not apply to residents in supported housing. A separate funding model may be developed specifically for short-term accommodation such as refuges and hostels.

The September 2016 announcement also confirmed that the deferral of the 1% rent reductions would end. Rent reductions will be applied to supported housing schemes so that rents for these properties will decrease by 1% a year for 3 years, up to and including 2019/20. The exemption for specialised supported housing will remain in place over the period and will be extended to include fully mutuals/co-operatives, alms houses and Community Land Trusts and refuges.

The sector had argued that ongoing uncertainty was having a detrimental impact on investment in new schemes. Aspects of the September 2016 were welcomed, but there is continuing doubt over whether the proposed system will place supported housing on a secure and sustainable footing.

The National Housing Federation (NHF) published a submission on 27 June 2016 in which it called on the Government to take account of certain factors in developing a new funding model.

### **Publication of the evidence review and a consultation paper**

The Supported Accommodation Review was published on 21 November 2016. The review estimated that at the end of 2015 there were 651,000 supported accommodation units in Great Britain. The estimated annualised cost of the supported housing sector covered by Housing Benefit in Great Britain at the end of 2015 was £4.2 billion.

Alongside the publication of the evidence review, the Government published a consultation paper on the implementation of the new funding model for supported housing. Submissions are invited up to 13 February 201

## 6. Ministers' view: we will protect supported housing – Inside Housing

Published on Inside Housing on 19 January 2017, by Caroline Nokes, Minister for Welfare Delivery and Marcus Jones, Local Government Minister

**The proposed new model for supported housing protects funding and puts councils at the heart of commissioning, argue government ministers *Caroline Nokes* and *Marcus Jones***

Britain has always been a caring and compassionate society. Nowhere is this more apparent than in the supported housing sector today.

We know how much of a difference having a safe, stable and supportive place to live makes to vulnerable people. It helps them to live independently and turn their lives around.

Protecting the most vulnerable in our society is a priority for this government, and we are committed to protecting and boosting the supply of supported housing.

In 2015, we announced that the Local Housing Allowance (LHA) rates – which have been in place in the private rented sector for nearly a decade – would be extended to social sector housing. It was unfair that those in private and social sector housing were treated differently; this change restores fairness to housing support.

Since then, there has been some concern expressed about how those in supported accommodation will be affected by that change.

We know that supported housing often has higher costs than general needs housing. That's why we announced last September that the introduction of the LHA rate for supported housing is being deferred until April 2019, with new ringfenced top-up funding being introduced at the same time and devolved to local authorities in England, and to the governments in Wales and Scotland.

This new model will help make sure funding for supported housing is protected and remains at the same level it would have otherwise been in 2019/20, taking into account the effect of the government policy on social sector rents.

More than this, local authorities will now be at the heart of commissioning supported housing services, as they are more aware of the needs of their local area because they are closer to their residents.

We know that although there was broad support for deferring the LHA rates, there remains some concern in the sector and in communities about how our new model will work in practice. We are committed to working with the sector and listening to their concerns so that we get the details right.

That's why we are listening to stakeholders on the specific design of the new funding model.

Our consultation is open until 13 February 2017 and we welcome the chance to hear from you. We want to grow a supported housing sector that is both sustainable and effective and works for residents, providers and commissioners, as well as developers. Working together we can continue to build much-needed new housing for some of the most vulnerable people in society.

## *7. Supported housing plan will not work – Inside Housing*

Published on Inside Housing on 11 January 2017, by Dame Clare Tickell, Chief Executive, Hanover Housing Association

Hull has a rich history as a vibrant and nationally significant city and port, aided by the fishing industry, that came to prominence in the 19th and 20th centuries. The city survived heavy aerial bombardment in the Second World War, the virtual collapse of the fishing industry in the 1970s following the Icelandic cod wars and catastrophic floods in 2007.

Hull is the fourth most overall deprived authority in the UK and its older people are the thirteenth poorest in the UK. So it was exciting to watch the wonderful celebrations over New Year as Hull launched its year as City of Culture in 2017. The plans for the year are ambitious and bold, seeking to celebrate the resilience and culture of the city and its people with a firm eye on creating an enduring legacy.

Hanover provides 134 sheltered housing units in Hull. They are situated in areas of high deprivation and most of our tenants are local. With very few exceptions their only source of income comes via their pension, so money is tight.

When the Supporting People grant was withdrawn and we asked them to pay an extra £3 a week for the costs of maintaining the housing management service and building, lots of people were reluctant because of the hardship this would cause.

Many of our tenants have always lived in social housing. Some come via a precarious private rented sector. They come when they need a bit of support as they are beginning to struggle on their own. A lot also come via charities who have helped them with other problems. We provide help ranging from signposting tenants to specialist health, social care and other agencies, assisting with finances and benefits and giving practical help.

This low-level support, alongside the custom design of the buildings, facilitates independent living, promoting a sense of community.

Housing for rent is plentiful in Hull. Market rents are low so the proposed Local Housing Allowance (LHA) cap is accordingly low. The shortfall between current rent and service charge and what housing benefit will pay for under the proposed arrangements is an eye-watering £137 per month.

Our tenants, who had reservations about finding £12 a month when the Supporting People grant was withdrawn, will not be able to find this.

It is worth remembering that more than 65% of rent and service charge goes on building related costs – renewals, gardens, utilities, day-to-day repairs. The proposals will invite local authorities to commission these services using top-up transferred from central government.

Against the acute and growing pressures in adult social care and the NHS, it is hard to imagine how we can sell a largely preventative service where the majority goes on the costs of maintaining specialist buildings.

Such is the nature of the proposals that moving south almost eradicates the problem. We provide several sheltered housing schemes in Hackney, another area of multiple deprivation with a high concentration of social housing. Our tenants there have broadly similar profiles to our Hull tenants. The difference is that housing supply is scarce and market rents are high.

In Hackney we can provide the same services as we do in Hull and remain comfortably within the LHA cap. While I have talked here about Hull, I could equally well have chosen most of our sheltered housing in the North, South West or Midlands.

It cannot be right, or intended, that where people live has such a profound impact on quality of life and services that they will receive as they age. It is bonkers to increase pressure on some local authorities who are already struggling as their citizens become older and more vulnerable by putting preventative, low support services under threat.

Coupling this with using market rents as the tool to cap housing benefit without adjusting for consequences doesn't make sense economically. It simply moves the problem into other, more costly, budgets in adult social care and health.

Nobody is arguing that the status quo, a demand-led central pot of money, doesn't need reform. It does. The current proposals, however, particularly for sheltered housing, simply will not work. To implement the changes without considering their impact on the wider health and social care system would be risky and short-termist.

The government consultation ends in February. Let's hope a sensible solution can be found so that Hull's celebration as City of Culture and its legacy can be enjoyed by all the citizens of that great city, whatever their income or age.

## 8. *Placeshapers calls for national supported housing fund – Inside Housing*

Published on inside Housing on 2 February 2017, by Sophie Barnes

***Placeshapers has rejected the government’s proposed Local Housing Allowance top-up fund in favour of a national supported housing allowance.***

Instead of councils allocating funding, Placeshapers – which represents 116 “community-focused” landlords – is calling for a national supported housing allowance and cap that reflect the “true cost” of developing and maintaining supported housing.

The government has proposed giving councils control of a supported housing top-up fund and an “enhanced role” in commissioning supported housing.

But councils have told Placeshapers they do not have the capacity to distribute the top-up funding. The group said the government must provide funding for the administration of the top-up scheme if it decides to take this approach.

Placeshapers said in its response to the consultation that it “recognises the need for a national framework and would support a workable, simple system that delivers certainty, fair outcomes and value for money alongside statutory duties to provide for existing and future demand at the local level”.

But the government’s proposal to top up housing benefit “does not achieve this”.The proposal creates “major risks” to existing and future supported housing, “significant inequalities” for service users and “additional complexities and resourcing issues” that will “constrain” value for money, the group said.

Placeshapers has also warned linking supported housing rents to Local Housing Allowance (LHA) would create “variable funding gaps”, with a particular “North v South divide”, and would lead to “discriminatory outcomes” for existing residents because of a “postcode lottery approach” to top-up funding.It would also deter developers from building supported housing other than in high-value areas.

Placeshapers has called on the government to abandon linking supported housing rents with LHA and instead set up a supported housing allowance that would “level the geographical differences” and “better reflect the true costs of provision”.

There is a “strong case” for the government to pass legislation to protect local funding pots “given the trend for ringfenced budgets to disappear”, the group said.

Many councils “no longer have supported housing expertise”, Placeshapers said, and might “struggle to commission effectively”.

## 9. Supported housing: the new North-South divide – Inside Housing

Published on Inside Housing on 31 January 2017, by Carol Matthews

### **Basing a benefit cap on private rented sector rents does not reflect supported housing costs and will create a huge regional disparity, warns *Carol Matthews***

Supported housing is high-cost and low-margin provision, providing homes and services for the most vulnerable people in society.

The government has acknowledged its importance in the recent consultation document, but the decision to change the way supported housing is funded puts its very existence at risk.

Supported housing faces a twin peril: the three-year 1% rent reduction from April 2017 and the imposition of the Local Housing Allowance (LHA) cap from 2019, applying to the benefits of existing as well as future supported housing tenants. Any rents and service charges above the cap will be met by newly created local top-up funds.

At Riverside, we estimate that our tenants will lose around £10m in benefit each year, relying on local discretionary funding to cover basic rent and service charges – hardly a reliable form of income.

The trouble with using LHA rates as a cap is that they are based on private sector rents dictated by the local housing market – which does not reflect the nature of supported housing costs, which are based on national rates of pay, utility costs, etc.

In opting for this funding model for supported housing, there will be a huge regional disparity in what the top-up funding is needed for.

Riverside, along with four other supported housing providers, has modelled supported housing rents and service charges against the LHA rates across England.

The results show a staggering regional difference, creating – as Peter Aldous MP recently said in a Westminster Hall debate on these proposals – a “postcode lottery”.

Our model shows that in the North East, more than 40% of rent and service charge income exceeds LHA caps, whereas in London only 6% are in breach. Local top-up funding allocations will therefore need to perform very different roles in different parts in the country.

Councils in many parts of the North and the Midlands will have to use their top-up funding to meet core rents and services to compensate for such low LHA rates, whereas top-up funding in London and parts of the South will be available to fund new services.



## 10. *Coping with the cap* – Inside Housing

Published on Inside Housing on 8 December 2016, by Simon Brandon

**After a year of rumours, promises and fears, *Simon Brandon* asks what the future will look like for supported housing once the new funding mechanism kicks in**

As the saying goes, the future isn't what it used to be - and for supported housing providers in England, that should have been good news.

In September, work and pensions secretary Damian Green reassured providers the world was not going to end after all. While the Local Housing Allowance (LHA) cap on housing benefit would be extended to supported housing from April 2019, the government would, Mr Green announced, make extra cash available to make up the shortfall.

### ***Sense of déjà vu***

This new funding model - based on a ringfenced top-up fund to be distributed by local authorities - "will ensure that the sector continues to be funded at current levels", Mr Green promised in a written statement to parliament.

It sounds clear enough. But rather than illuminate the future funding landscape, this announcement has left many providers no less uncertain and more pessimistic than they already were - and has even provoked a sense of murky déjà vu.

The Supporting People regime, implemented in 2003, was a similar model in which local authorities were given control of a ringfenced pot of money to spend on care and support. It was a "very successful programme", at least until the ringfence was removed in 2009, according to Philippa Jones, chief executive of Bromford Group, a landlord with 2,200 supported housing units.

By 2012, according to a parliamentary research paper, Supporting People funding had been withdrawn entirely from 305 services across 152 local authorities - a fact that does not inspire confidence in the permanence of the current proposals.

"None of us have got any confidence that a ringfence imposed now will be in place for the long term," says Ms Jones. "It doesn't give you the confidence to borrow money and build more of this much-needed provision."

Bruce Moore, chief executive of 19,000-home Housing & Care 21, has a similarly long memory. "The ringfence will diminish over time," he says. "Everyone knows that, despite the assurances that are given."

And that ringfence will be crucial in keeping supported schemes open, says Andrew Redfern, chief executive of Framework Housing Association, which provides supported housing to people with a range of complex needs.

“We have to demand and expect that there will be a cast-iron ringfence, otherwise there is no way the system can work,” he says. “You can’t provide supported housing for people with mental health problems, drug and alcohol problems, or people with complex needs, on a rent level restricted by the LHA cap. Either the gap continues to be funded from the local pot, or they close.”

In fact it looks as though there could well be less supported housing in five years’ time as a consequence of the mooted changes, regardless of the ringfence’s permeability. Several providers told *Inside Housing* they were rethinking their supported housing development programmes in light of the ongoing uncertainty; some have cancelled projects altogether.

“We had a site lined up in Aylesbury but the more we thought about it, and the more we contemplated the future, there wasn’t enough certainty going forward to warrant us taking that risk,” says David Bogle, chief executive of 5,300-home Hightown Housing Association, based in Hertfordshire.

Magenta Living, a landlord based in the Wirral, recently completed its first supported housing development of 100 units; its second may be some time coming. “In light of the government’s announcement we will be reviewing our plans for any future similar developments moving forward,” says a spokesperson.

There are fears, too, that sheltered housing - housing for tenants with lower levels of need - in particular could suffer as a result of the changes.

“If sheltered housing doesn’t get some kind of exemption or special deal, I would say that in five years’ time the sheltered housing landscape will look very different,” says Michael Voges, executive director at Associated Retirement Community Operators.

Even with a ringfence in place, the argument goes, cash-strapped councils will be tempted to channel funding towards those with greater support needs.

“There is such pressure elsewhere in the system for local authorities to just meet their statutory responsibilities that there will be no room for funding anything else,” says Sue Ramsden, policy leader at the National Housing Federation.

Mr Moore is less circumspect. “As the [financial] pressures mount, the low-level services will be the first to be squeezed out,” he says. “A lot of retirement housing will go. We will be closing down properties rather than keeping them. This will result in the closure of schemes.”

### ***Increasing need***

Not everyone is gnashing their teeth, however. The supported housing development programme at North Star Housing Group - a 3,000-home landlord with 444 supported housing units - is “in hiatus” while the funding dust settles, says chief executive Angela Lockwood, but she says her aim is to grow its supported housing programme, and to do it by looking at new funding models.

“In five years’ time the demand for supported housing won’t have diminished - in fact need will increase, especially around dementia,” Ms Lockwood argues.

She cites a North Star supported housing scheme for women with complex support needs that is funded by a group of public sector budgets, rather than purely with housing benefit.

“Around the table were health, probation, police, housing associations and social care people from the local authority,” she says. “That’s a bit of a blueprint going forward.”

Or, to paraphrase another saying, perhaps the best way to predict the future is to create your own.

*[Statistics source: the government’s Supported Accommodation Review]*

## 11. North Tyneside Council: Supporting independence, improving health and well-being for tenants - Innovation of the year, UK Housing Awards 2014<sup>10</sup>



*North Tyneside residents Jim and Joyce Finan in a sheltered housing show apartment*

Emergency hospital admissions and the length of hospital stays have been reduced for more than 1,400 of North Tyneside's vulnerable and elderly tenants. The council's sheltered housing team has been trained to make direct referrals to NHS staff qualified to treat minor injuries and illnesses at the patient's home, within two hours of a call.

Housing officers were also taught how to recognise common illnesses, while a dedicated activities co-ordinator now supports better health and well-being through health and fitness classes.

The initiative could save the NHS £365,000 a year - according to an analysis by Northumbria University - and allow tenants to remain in their home.

Following a successful pilot in January 2013, the project has been rolled out to all 26 of North Tyneside's sheltered housing schemes, and could be implemented in other NHS trusts.

The judges praised the council for addressing the need for better links between housing and health, and said the innovation was, 'a positive solution that could be replicated by others'.

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<sup>10</sup> <http://www.insidehousing.co.uk/housings-finest/7003654.article>

## 12. *Three factors that make a supported housing scheme a success* – The Guardian

Published on The Guardian on 28 November 2012, by Neil McCarthy, Assistant Director of Care and Support at Octavia Support

**A not-for-profit organisation has helped develop a scheme that supports individuals with learning disabilities and diverse needs**



*Aaron with Angelina from his support provider Life Opportunities Trust.*

What makes a successful supported housing scheme? From our experience, as providers of extra care and supported housing for 30 years, many aspects are involved – but the three key elements are: a personalised service purchased using an individual budget, innovative design and strong teamwork.

Johnson's Place is an Octavia-supported living scheme consisting of self-contained flats that are homes to five individuals with learning disabilities and diverse needs. Some require 24-hour support and some just visiting support. This is where a personalised service offers a chance for real community living – individuals have their own budget and, with the help of a broker, have a personal support package delivered by different providers: the National Autistic Society, Origin Housing and Life Opportunities Trust in this case.

Unique schemes such as this bring service users together in an incredibly positive and independent way. Several flexible innovations were included in the redevelopment of the building, from a 12-bed hostel for much-needed flats, to enable them to meet the diverse and changing needs of the residents. These include technology to enable people to live independently, such as a key-reminder facility when going out, a flexible warden-call system

for when staff are not onsite and acoustic windows and flooring to accommodate residents with autism, who are generally more sensitive to noise.

Making such a scheme successful requires incredible amounts of teamwork, both during and after development. We work closely with residents and all those in their circle of support, including their families, commissioners and care providers, to understand their needs so that we provide a tailored building and service solution.

Ultimately, the success of the scheme depends on the outcomes – Aaron, a Johnson's Place resident, is supported by staff from the Life Opportunities Trust, which enables people with disabilities to develop and lead fulfilling lives in their local communities. He can do most things himself, but he needs support when he goes out into the community, goes travelling, shopping, or to college and with making new friends.

Aaron is also supported with his personal care and the cleaning of his flat; he is willing to help but sometimes needs encouragement. He also enjoys going out to eat and visiting local parks and shops, where all the staff know him. His mum lives close by and visits every weekend. Aaron likes his flat and says it is his home.

### ***Funding and the future***

Of course, money and the right site are important for projects such as this. The scheme, in Pimlico, cost £1.1m, including the purchase price of the building, which was funded by Westminster council, the Homes and Communities Agency and Octavia Housing. While the scheme took a significant capital investment, the care packages offer better value for money, together with improved outcomes for service users, which is often hard to put a price on.

Octavia Support and Westminster council are now replicating the model elsewhere and are refurbishing another Octavia building in west London with significantly less capital investment.

With continuing economic issues, we believe the future involves working closely with our local partners to utilise the buildings and spaces we have available or can source, pooling our resources and funds to offer great accessible buildings, and tailoring our services to the personal needs of our service users to deliver better outcomes and value.