

Financing user choice in housing and community care

There is increasing concern about the complexity and fragility of current revenue financing mechanisms for housing and community care. The Centre for Housing Research and Urban Studies draws attention to the problems of the still-evolving system and finds that the current revenue financing system for housing and community care does not encourage flexible and user-centred forms of provision. The study puts forward suggestions for developing a more user-centred and flexible approach.

- **A user-centred assessment process and 'spot' purchasing by social services agencies would enhance flexibility.**
- **The wider use of direct payments for users to purchase their own care would enhance user control and choice.**
- **Housing Benefit regulations need to be clarified to enable present payments for care to be channelled through social services authorities to improve co-ordination.**
- **SNMA (Special Needs Management Allowance) should be converted into a person-centred rather than a property-based allowance for intensive housing management.**
- **Pilot programmes for a wider direct payments system which covers housing and care are needed if the necessary knowledge is to be gained to overcome the rigidities of the present financing system and to achieve the objectives of flexibility, responsiveness and user empowerment.**

The current system

Although it has only been in place since April 1993 it is evident that the current revenue financing system is not as effective as it could be in drawing forward provision of housing and support which meets the individual needs or wishes of users. The system is extremely complex. For example, for a housing association supported accommodation project which is not registered with the social services department a number of agencies could be involved in financing. They are the housing authority (for Housing Benefit payments); the Housing Corporation (for SNMA and management costs) and a voluntary organisation, social services or health authority (because of payments for care or support services); and the Department of Social Security (payments to users). Problems occur because the boundaries between the agencies are unclear and are sometimes hotly disputed.

An example is the disagreement in England over what is known as 'Certification 10'. Only if social services authorities are not sponsoring the cost of a placement under community care arrangements, will the Housing Corporation consider housing association applications for SNMA. This is because the Housing Corporation does not want to be financing what it sees as care costs. Housing associations have argued that social services will not be willing to make up for the lack of SNMA by paying for what are perceived as housing management tasks. The result has been confusion and uncertainty.

The provision of funding through a number of bodies each of which has its own interests and sets its regulations accordingly, means that the underlying financial structure of community care is service-led. Current provision reflects the nuances of the finance system rather than the needs or wishes of users, or what would be considered 'best practice' by many providers.

Of course, the finance system is not the only important factor which can influence outcomes in the new community care system and it needs to be seen in relation to these other factors.

Towards a user-centred approach

There are a number of things that can be done to make the present system more flexible and user-centred. They are:

- The creation of a user-centred assessment process. Advocacy services and support for user groups will help to spread information about existing services and provide support to users in articulating their needs. Even so, at the end of the day the attitude of the assessor is crucial.
- The adoption of 'spot' purchasing as the norm by social services purchasers to promote flexibility and to meet individual needs more precisely.

In addition, changes to the financing system could be made to increase user choice and provide greater clarity. They are:

- The wider use of direct payments for users to purchase their home-based care in the way pioneered by the Independent Living Fund. It has been shown that direct payments increase user choice by enabling them to choose the exact nature of the care provided and who provides it. This gives users self-respect and can enable them to pursue a more independent and active life.
- A clarity in Housing Benefit regulations to reduce inconsistencies between different parts of the country and to prevent Housing Benefit being used, as sometimes at present, to finance care services. Any savings made should be transferred to social services authorities so that finance for care can be co-ordinated through the assessment process.
- The conversion of SNMA (and SNAP in Scotland) into a person-centred rather than a dwelling-centred allowance (or even an association-centred allowance as currently proposed) payable to people who have need of intensive housing management support.

These reforms would be a major step forward, but they do not entirely remove biases nor give users control over the housing and care they receive within resource constraints. The case for an expanded direct payments system is compelling. It allows users to devise and implement a housing and care package which meets their individual needs; it creates a 'level playing field' between forms of provision; it

transforms the relationship between user and provider; it promotes a flexible system which is responsive to user needs and wishes. Therefore, the key to a more radical restructuring of the present system is a three-pronged personal payment system in addition to social security payments for ordinary living expenses. The system would consist of:

- A means-tested payment to individuals in cash which can be used to purchase care and support in an appropriate setting whether in residential care, supported accommodation or in 'mainstream' housing.
- The payment of Housing Benefit which could be used for accommodation in a wide range of settings including residential care.
- A person-centred intensive housing management allowance.

This needs to be associated with the reforms to the assessment process suggested earlier and a system of capital financing which does not discriminate between different forms of provision.

At present there is little information about how such a system would work in practice and so the precise mechanics need detailed work and testing. The main doubts about its impact concern the reaction of providers of housing and care to the uncertainty or flexibility generated by the new system. There is also concern over the political reaction to an explicit rationing system given that resources will not be available to meet all needs.

The researchers suggest that it would be worthwhile carrying out a pilot programme perhaps limited to one local authority area and to one group. Experimentation is necessary if the rigidities of the present system are to be overcome and the objectives of flexibility, responsiveness and user-empowerment are to be achieved in practice.

About the study

The report is based on a review of existing research and interviews with providers and user groups active in the community care field. The study was undertaken by David Clapham, Moira Munro and Helen Kay at the Centre for Housing and Urban Studies, University of Glasgow.

Further information

A full report - **A Wider Choice: Revenue funding mechanisms for housing and community care** by David Clapham, Moira Munro and Helen Kay - is published by the Joseph Rowntree Foundation (price £8.50).

Related *Findings*

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- 30** Community care and independent living (Feb 93)
- 31** Involving disabled people in assessment (Mar 93)
- 36** Housing need and community care (Jul 93)
- 37** The effectiveness of an Independent Living Advocate (Sept 93)
- 41** Community living for people with learning difficulties (Oct 93)
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