

Housing benefit and supported housing

Supported housing makes community living possible for many people who would otherwise be in institutions or homeless. However, recent changes in housing benefit have reduced tenants' capacity to pay for the support they need, according to new research by Steve Griffiths. A study of the experience of housing providers and housing benefit administrators found that:

- f** A majority of the supported lodgings, adult placement and supported housing schemes studied considered that their viability in supporting vulnerable people to live as independently as possible in the community was seriously undermined as a result of the cumulative effect of recent changes in housing benefit.
- f** Nearly all the severely affected projects were faced by a cutback in access to housing benefit to meet charges for support and counselling. For two-thirds, a cutback in rent levels eligible for housing benefit in January 1996 was crucial, and in nearly half, both of these changes had a severe effect on vulnerable tenants.
- f** The effect of the changes on adult placement and supported lodging projects in the private sector was most far-reaching, with nearly all the projects taking part severely affected. In nearly half these projects, housing benefit for new tenants and some existing tenants had been reduced by more than half.
- f** Nearly all the providers believed that the draft regulations withdrawn in July 1996, but still under consideration, would cause a further deterioration in the viability of supported housing. Sheltered housing providers, who were not currently affected by the changes in housing benefit to meet support and counselling charges, shared a deep concern about this.
- f** Withdrawals of housing benefit were already putting direct pressure on social services budgets which could not be met. A large majority said that there would be even greater pressure if the draft regulations were implemented.
- f** Projects offering supported housing to young people have been particularly hard hit.
- f** There is strong evidence from providers and housing benefit officers that award of benefit for people in supported housing depends on where people live, not what their needs are, in spite of nationally laid down regulations.

Housing benefit and supported housing

Supported housing enables many people with mental health problems or learning difficulties, people who have been homeless and rootless, vulnerable young people and older people to attain greater independence, or to live in the community rather than in institutional care or on the street.

Recent changes in housing benefit regulations and guidance have affected the levels of housing- and support-related charges which are eligible for housing benefit. This project sought responses about the impact of the changes from providers of all kinds of supported housing, including adult placements, supported lodgings, projects run by housing associations and voluntary organisations, sheltered housing, and from housing benefit services, in a sample of local authority areas in England, Wales and Scotland.

The changes

The research examined the cumulative effects of recent changes in housing benefit, focusing on two main developments: those concerning housing benefit to meet charges for support and counselling, particularly resulting from DSS guidance issued in December 1995; and those resulting from the introduction in January 1996 of new controls on private rented housing costs eligible for housing benefit.

The research also gauges practitioners' views of the potential effect of new draft regulations presented for consultation and then withdrawn in 1996. The response to these triggered a Government interdepartmental review of the funding of supported housing, to which this research has contributed.

The project had not sought to examine the impact of further regulations introduced in October 1996 which confined housing benefit for new young private sector tenants to a 'single-room' rent level eligible for housing benefit in cases where the claimant is single. However, many respondents raised the effect of these on the viability of supported accommodation for vulnerable young people.

The effects

Considering the cumulative impact of these recent changes in housing benefit, supported housing projects reported an overwhelmingly negative effect on their viability in supporting vulnerable people to live as independently as possible in the community. Excluding sheltered housing, 18 supported housing projects out of 28 taking part in the research considered their viability in this area to be seriously undermined as a result of the changes.

Fourteen of these 18 projects said they had been severely affected by a cutback in access to housing benefit to meet charges for support and counselling. In 12 cases the cutback in eligible rent levels in January 1996 was crucial, and in eight both of these changes had a severe effect on vulnerable tenants.

The effect of the changes on adult placement and supported lodging projects in the private sector was

most far-reaching, with 12 out of 14 projects severely affected. The issue with the greatest impact was the failure to exempt private providers of supported lodgings and adult placements in approved schemes from the restrictions on housing benefit introduced in January 1996. In addition, seven of these projects were severely affected by loss of housing benefit to meet support and counselling charges. In nine projects, housing benefit for new tenants and some existing tenants had been substantially reduced - in six projects by more than half.

The research found that, as a result, some carers and private landlords were withdrawing from providing adult placements and supported lodgings. The changes were leading to other consequences:

- a reduction in the capacity to encourage people to live in their own independent accommodation
- people living in high-dependency regimes when they could benefit from a greater degree of independence
- lower disposable income for vulnerable people which decreases their capacity to participate actively in the community
- a return for some to more expensive institutional care.

A number of practitioners and authorities had warned prior to these changes that they would result in a significant amount of distress and hardship among vulnerable people and were now reporting evidence of this.

The draft regulations withdrawn in July 1996

Nearly all the providers believed that the draft regulations withdrawn in July 1996, but still under consideration, would cause a further deterioration in the viability of supported housing. Sheltered housing providers, who were not currently affected by the changes in housing benefit to meet support and counselling charges, shared a deep concern about this.

Sheltered housing providers were concerned more generally that loss of a flexible housing benefit regime would make it harder to provide individual support at an appropriate level for each individual and to encourage independence.

Social services and registration of adult placements

Withdrawals of housing benefit were already putting direct pressure on social services budgets which could not be met. A large majority said that this would also be the case if the amendment regulations withdrawn in July were implemented.

A number of adult placement schemes are being pushed towards registration as care homes to safeguard their existence, creating higher dependency provision

contrary to the direction of community care policies. Social services departments have to meet the cost of this but have not been funded to provide for this new wave of often inappropriate registration.

Young people

Projects offering supported housing to young people reported being particularly hard hit by the recent housing benefit changes; many felt this called into question the survival of supported lodgings for vulnerable young people, with implications for strategies to help young homeless people towards being able to access mainstream housing and to increase their capacity for independence.

Floating support

'Floating support' is support provided from a central point, which may be short-term to assist the tenant in becoming more independent, or it might be a management approach to make the most cost-effective use of support resources, for example in sheltered housing. Reductions in housing benefit for support and counselling where floating support was provided was a major cause for concern. Projects providing supported housing for vulnerable young people and for ex-offenders were particularly under threat.

Housing benefit administrators

Housing benefit officers taking part in the research conveyed a mixed picture, with variable rigour being applied to implementing the December 1995 guidance on housing benefit for support and counselling. In some cases, a rigorous approach had severe effects on the viability of supported housing and the disposable incomes of vulnerable tenants. Others were taking steps from a number of standpoints to minimise the impact of the guidance. Most shared the view of other respondents that the housing benefit scheme needed a major overhaul in this area, beginning with a coherent set of policy objectives. A number thought that the degree of contradiction in the scheme was so great that it called into question the legality of some areas of DSS guidance. There was strong evidence that award of benefit depends on where people live, not what their needs are, in spite of nationally laid down regulations.

Some housing benefit officers were concerned about landlords 'playing the system'; but as many were concerned that providers were wrongly including housing management functions in service charges instead of in rent, resulting in reduced eligibility for housing benefit.

Some housing benefit services were spending a lot of time investigating how supported housing staff did their jobs for the purpose of benefit assessment. Some officers doubted that they had the appropriate skills and knowledge to do this.

There is considerable concern among housing benefit officers about the adequacy of the limited-budget discretionary provision for meeting

'exceptional hardship' among those adversely affected by the January 1996 changes. There is also considerable inconsistency between services in the use of this provision.

The Rent Officer

The role of the Rent Officer in setting values for service charges for support and counselling which may be eligible for housing benefit varies across the country. Inconsistency may be encouraged by contradictions between regulations and guidance concerning the respective duties of housing benefit and rent officers. Several housing benefit officers questioned the appropriateness of the Rent Officer's involvement in valuing the costs of support and counselling, and there was some concern about an overall lack of accountability of the service.

Conclusions and recommendations

The research concludes that the terms of the policy intention and of regulations and guidance concerning housing benefit to meet charges for support and counselling have narrowed considerably since the 1980s. The sudden removal of an essential element in the financial viability of much supported housing appears to have taken place without any assessment of its impact on the Government's community care objectives. This has broken an historic consensus between Government departments about what housing costs incorporate, closing off channels of funding for those who need help to achieve independent living. Combined with the effect of the changes of January 1996, there is a substantial threat to the viability of supported housing, particularly adult placement and supported lodgings schemes.

Urgent action is needed to remove that threat if more hardship and needless public expenditure are to be avoided. A practical solution to resolve major contradictions between the housing benefit scheme and community care policies is required, in which all major Government departments, local authorities and supported housing providers are enabled to work towards promoting independent living. This would encompass the process of helping people who may need support in the short or medium term towards complete independence - not only people with mental health problems and learning difficulties who may otherwise be in institutions, but vulnerable young people, people who have been homeless, and ex-offenders.

As a result, the researcher makes the following recommendations:

- Supported lodgings and adult placement schemes should be exempt from the January 1996 changes. Schemes could be accredited by social services Inspection Units, since most are already used to place social services clients.
- Housing benefit should be confirmed as a principal vehicle to fund the costs of supported

housing. It is cost-effective in that payments can be tailored to the type of supported accommodation needed as the capacity for community living diminishes or increases over time. Since it is the only means of funding which is set down in detailed statutory rights, it has a value of transparency, through a mechanism that can be closely monitored and adjusted to precise effect.

As a way of addressing increasing confusion in the funding of supported housing, the researcher has developed a detailed 'continuum of services', ranging from bricks and mortar to medical services. This framework is used to propose a way of allocating housing benefit to specific supported housing costs which aims to offer transparency, accountability, and a degree of flexibility that reflects the reality of support needs and tasks, restoring coherence with the Government's community care objectives. Details of this model are given in the full report (see 'Further information' section).

About the study

This project sought responses about the impact of the changes from providers of all kinds of supported housing, including adult placements, supported lodgings, housing association and voluntary sector projects and sheltered housing, and from housing benefit services, in a sample of 24 local authority areas in England, Wales and Scotland. Following telephone contact, a semi-structured questionnaire was answered in writing, with further telephone and written contact to achieve a full picture. In all, there were 50 responses.

Further information

The full report, *Housing benefit and supported housing: the impact of recent changes* by Steve Griffiths, is published for the Foundation by York Publishing Services (ISBN 1 899987 43 6, £9.95 plus £1.50 post and packing).

Related *Findings*

The following *Findings* look at related issues:

Housing

- 135 Housing management, community care and CCT (Jan 95)
- 136 Housing needs of people with physical disability (Feb 95)
- 147 Housing and 'floating support': a review (Jun 95)
- 148 The relationship between housing benefit and community care (Jun 95)
- 155 Community care and housing for disabled people (Sept 95)
- 168 Housing choices and community care (Feb 96)
- 183 Inter-agency working for housing, health and social care needs of people in general needs housing (Jun 96)
- 205 Integrating user involvement and multi-agency working to improve housing for older people (Mar 97)

Social Care

- 64 Moving from hospital into the community (Mar 95)
- 66 Housing and support for people with learning difficulties (Apr 95)
- 74 Health and housing: the extent of inter-agency working (Nov 95)
- 92 Joint planning for housing and community care (Mar 97)

Full details of all JRF Findings and other publications can be found on our website: <http://www.jrf.org.uk>. If you do not have access to the internet or have any further queries on publications, contact Sally Corrie, Publications Officer, on 01904 615905 (direct line/answerphone for publications queries only).



Published by the
Joseph Rowntree Foundation
The Homestead, 40 Water End
York YO3 6LP
Tel: 01904 629241 Fax: 01904 620072
ISSN 0958-3084

The Joseph Rowntree Foundation is an independent, non-political body which has supported this project as part of its programme of research and innovative development projects, which it hopes will be of value to policy-makers and practitioners. The findings presented here, however, are those of the authors and not necessarily those of the Foundation.