

HOUSING SELECT COMMITTEE			
Report Title	Supported Housing Update		
Key Decision	No	Item No.	6
Ward	All		
Contributors	Executive Director for Customer Services		
Class	Part 1	Date:	31 January 2018

1. Reasons for Lateness and Urgency

- 1.1 This report is late as officers wanted to ensure that the most accurate, up to date information was available for the committee to consider.
- 1.2 The report is urgent and cannot wait until the next meeting of the Housing Select Committee as it provides detail of substantial legislative changes to which the committee require an update.
- 1.3 Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b)(4) the Chair of the Committee can take the matter as a matter of urgency if he is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

2. Summary

- 2.1 This report provides a overview and update on policy changes affecting Supported Housing and gives an overview of supported housing provision in Lewisham
- 2.2 Also outlined is detail on the current consultation on Supported housing, which proposes significant change to the funding of the sector.

3. Recommendations

- 3.1 It is recommended that the Housing Select Committee note the content of the report.

4. Policy Context

- 4.1 The contents of this report are consistent with the Council's policy framework. It supports the achievements of the Sustainable Community Strategy policy objectives:

- Ambitious and achieving: where people are inspired and supported to fulfil their potential.
- Empowered and responsible: where people can be actively involved in their local area and contribute to tolerant, caring and supportive local communities.
- Healthy, active and enjoyable: where people can actively participate in maintaining and improving their health and well-being, supported by high quality health and care services, leisure, culture and recreational activities.

5. Supported Housing overview and definitions

- 5.1 Supported Housing is the umbrella term given to housing where accommodation is provided alongside support or supervision to help people live as independently as possible.
- 5.2 Supported housing covers a range of different housing types, including hostels, refuges, extra care schemes and sheltered housing. The diversity of the sector is reflected in the range of support offered to meet different levels of need.
- 5.3 Those who live in supported housing include:
- Older people with support needs
 - People with learning and physical disabilities
 - People and families at risk of, or recovering from, homelessness
 - Individuals with drug and alcohol related support needs
 - Offenders and ex-offenders
 - Young people with support needs (eg care leavers)
 - People with mental ill health
 - People at risk of domestic abuse
- 5.4 A DCLG and DWP review in 2017 found that there are approximately 651,500 supported housing homes in Great Britain, 85% of which are in England.¹
- 5.5 The main providers of supported housing are social landlords, with the majority (71%) provided by housing associations. The remainder are provided by local authorities and the third sector with a small proportion provided by the private sector.
- 5.6 Within the umbrella term 'supported housing' there are multiple types of provision, usually defined according to the level of support provided. The government has recently run an open consultation regarding the definition of the different forms of supported housing, as outlined in section 6 of this report. Defined here is a current understood definitions of supported housing.

¹ Supported accommodation review, DCLG
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf

Sheltered and Extra-Care

- 5.7 Sheltered and Extra-care housing is usually designated for older people, but includes some working age people as the eligibility age is usually for those aged 55 or over. Within this type of supported housing, there can be a wide spectrum of care and support offered.
- 5.8 Sheltered accommodation traditionally is for older people with lower level support needs whilst Extra care housing is designed to meet the needs of individuals with higher care needs.
- 5.9 Unlike sheltered housing Extra Care is quality checked by the Quality Care Commission. This form of housing supports health and adult social care provision, smoothing discharge from hospital and helping individuals rely less on acute health services and residential care.

Short term supported housing for vulnerable adults

- 5.10 Short term supported housing is understood to provide accommodation with support for vulnerable adults, accessed as part of a transition to living independently or following a point of crisis.
- 5.11 This includes housing providing support for:
- People with support needs experiencing homelessness
 - Individuals with drug and alcohol related support needs
 - Offenders and ex-offenders
 - Young people with support needs (e.g. care leavers)
 - People with mental ill health
 - People at risk of domestic abuse
- 5.12 Short –term housing also includes hostels, refuges and safe houses, which account for 9% of total supported housing provision and has the highest turnover of any provision in the sector² Whilst length of stay varies, there is a general understanding that individuals move through short-term housing at around 2 years.

Long term supported housing

- 5.13 Long term supported housing is usually (but not exclusively) for working-age people with support needs. This part of the supported housing sector is incredibly diverse, including, for example, individuals with learning or physical difficulties, or long-term mental ill health. Long-term supported housing has the lowest turnover of residents, as length of stay can span decades.

² Supported accommodation review, DCLG
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf

6. Funding of supported housing

- 6.1 Supported Housing costs are typically higher than other social housing, due to additional services required to meet the needs of residents. For example, services provided include the need for additional on-site staff presence, maintenance of larger communal spaces, maintenance of additional infrastructure (e.g. laundry facilities, lifts) and higher levels of wear and tear.
- 6.2 Funding for supported housing is made up of two components: housing costs (rent and eligible service charges) and support costs (the cost of additional support provided).
- 6.3 The 'housing cost' component of supported housing funding is met by Housing Benefit, or self-funded where a resident is ineligible or on partial HB. Around 79% of older people in supported housing claim Housing Benefit to help them meet housing costs, as do 97% of working age people ³. Supported housing is currently exempt from Universal Credit.
- 6.4 The higher cost of the 'housing costs' in supported housing is met by HB via an 'enhanced housing benefit payment' to reflect the additional housing management services required in supported housing. Since 2003, when the current funding model started, providers have maximised the use of the enhanced housing benefit payment for tenancy related support functions, in line with enhanced housing benefit rules.
- 6.5 The 'support costs' component is usually commissioned and funded via the local authority, NHS or grant funding. This can include staff, keyworker and day to day support activities.
- 6.6 Following funding reform and austerity measures, funding has reduced for the support cost component. It has become difficult to track spending on support costs in supported housing, but estimates from the National Audit Office suggest funding akin to the Supporting People funding pre-2003, has reduced by 45% between 2011 and 2015.

7. Policy context

- 7.1 In the Autumn statement in 2015, national government announced their intention to apply the Local Housing Allowance (LHA) rates to social rents, including Supported Housing, with effect from 2018. LHA is the maximum rate of Housing Benefit (HB) that can be claimed if renting in the private rented sector.

³ Supported accommodation review, DCLG
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf

- 7.2 The intention was that core rent and service charges would be funded through Universal Credit (or Housing Benefit) up to the applicable LHA rate. In England the new model would devolve funding to local authorities to provide a top-up where necessary to providers, reflecting the often higher costs of supported housing.
- 7.3 The policy announcement was met with criticism from the sector. As an example of the difference between LHA and rents, in Lewisham the weekly rent for sheltered and extra-care ranges between £132 per week to £293 per week (average £173) whilst the LHA 1 bed rate for outer London is £161 per week. This is a very rough example of the potential discrepancies that could have occurred if the LHA rate was imposed on supported and sheltered housing. 234e
- 7.4 The implementation date was moved back to April 2019. Finally in October 2017 the government announced that they had dropped plans to apply LHA to social rents.
- 7.5 A green paper providing more detail was expected in Spring 2017, but did not materialise. As such, between Autumn 2015 and Autumn 2017 there was no further detail provided on the intended changes, resulting in significant uncertainty in the supported housing sector as to the future and current viability of schemes.
- 7.6 As a result of this uncertainty, many schemes in planning or under development were delayed or pulled.
- 7.7 Research conducted by the National Housing Federation showed that amongst 69 surveyed Housing Associations, there was an 85% drop in planned new supply as a result of funding uncertainty.⁴
- 7.8 One scheme in Lewisham affected by this uncertainty was Campshill Road, where the rent reduction policy and, at the time, forthcoming LHA rent cap meant that the original provider partner was unable to proceed with scheme. The scheme is now onsite and will complete in May 2019, but it was previously forecast to complete in September 2016.

Supported Housing Consultation

- 7.9 On 31st October 2017 the Government opened two consultations on the funding and future of the supported housing sector, centred on two key funding changes to the sector. The consultations closed on January 23rd 2018. The response from Lewisham Council is attached at Appendix A.
- 7.10 The government has proposed a three pronged approach to funding supported housing, and announced that LHA rates will no longer be applied to housing costs.

⁴ <https://www.housing.org.uk/press/press-releases/government-plans-cause-85-drop-in-new-homes-for-most-vulnerable/>

- A sheltered rent to come into effect from 2020. This is for those in sheltered and extra care housing - a type of social rent which keeps the funding for sheltered and extra care housing in the welfare system. This will enable better cost control as the rent will be capped at 'gross rent', including the service charge element. The rent will be tied to what is assumed are the current regulated rents in the social sector, +/- 10%.
- A local grant fund for short term and transitional housing. 100% of this provision will be commissioned at the local level, funded locally through a ring fenced grant and underpinned by a new local planning and oversight regime. This means that where funding for the housing cost component of supported housing is currently met by Housing Benefit, this will instead be allocated to Local Authorities in grant form to fund services to meet local need. The local authority will be responsible for providing a long term plan of anticipated need in the borough, based on current and projected need, to inform the grant funding.
- The welfare system – for long term supported housing, such as housing for individuals with learning disabilities or mental ill health, 100% of housing costs (rents plus eligible service charge) will be funded through the welfare system. There is no change to the current funding system for this form of housing.

7.11 In addition, both consultations asked about the appropriateness of the current definitions of short-term and sheltered / extra care supported housing.

7.12 The most significant change to the current method of funding is for short-term housing with a ring fenced grant to LA's and 100% of services commissioned locally according to a local plan.

7.13 These proposals in particular have been met with some criticism from the sector, although the scrapping of the LHA rate has been welcomed.

Overview of responses to the consultation

7.14 Below is summarised the key areas of feedback from London Councils, Lewisham Council and other organisations who have published their consultation response

7.15 There is concern around the significant extra burdens placed on the LA to create a local plan, to anticipate demand, and commission all services, and that currently there is not sufficient resource to match this. London Councils acknowledge that for many local authorities this will result in significant change within LA structures, and argue that LA do not have strong connections with all local providers, and will not know the exact number of providers in the local area or the

nature of provision available. Most connections are purely contract and client based, and a significant mapping exercise will need to be undertaken in each local authority to develop an accurate picture of the sector. This is likely to be resource and time intensive.

- 7.16 From a provider perspective, there is concern around the control held by the LA with uncertainty over future funding due to the nature of commissioning cycles, and any impact of the local plan
- 7.17 The methodology behind calculating the ring-fenced grant is not yet outlined. There is general mistrust and fear that this funding will be cut in future years.
- 7.18 The definition of short term housing as being only for '*up to two years, or until transition to suitable long-term stable accommodation is found, whichever occurs first*' has been heavily criticised. It has been widely acknowledged that an arbitrary deadline of two years does not accurately reflect the reality of short term housing. This is because individuals do not always manage to be ready for move-on after a set time, but it is often the case that move-on accommodation is not available due to housing shortages.
- 7.19 Officers will bring further reports to Housing Select Committee when more detail is known on the proposed changes,

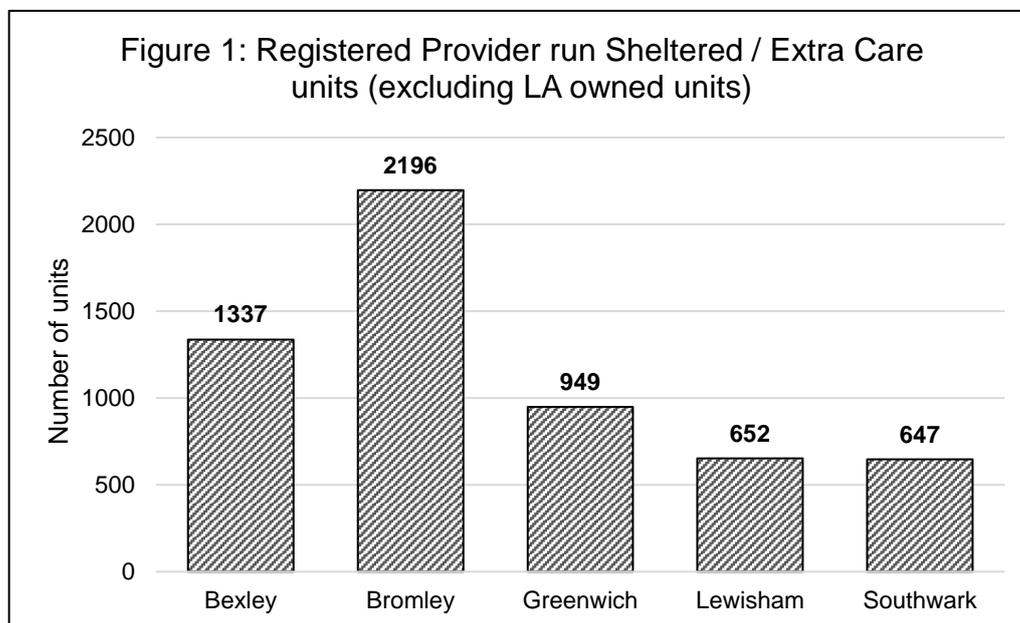
8. Supported Housing in Lewisham

- 8.1 Across Lewisham Borough there is a range of provision of supported housing:
- Commissioned by Lewisham Council
 - Owned by Lewisham Council and managed by Lewisham Homes
 - Provided by registered providers
 - Provided by independent providers

Sheltered and Extra-Care provision in Lewisham

- 8.2 There are a total of 1146 sheltered / extra care units managed by 14 Registered Providers of which 494 units are managed by Lewisham Homes (43%). Lewisham Homes run a total of 18 schemes.
- 8.3 82% of residents in sheltered / extra care accommodation in Lewisham are in receipt of Housing Benefit (HB) (both full and partial HB). This is similar to the national average.
- 8.4 More detailed data held on residents of Lewisham Homes managed sheltered accommodation shows that 86% of residents are of retirement age, with the remaining 14% of working age.

8.5 Figure 1 outlines the number of units provided by registered providers, excluding council owned units, in comparison to neighbouring boroughs. This shows that the outer boroughs of Bromley and Bexley have a far larger number of units, although the Bromley figures are likely that high due to their stock transfer of council homes to Affinity Sutton in 1992.

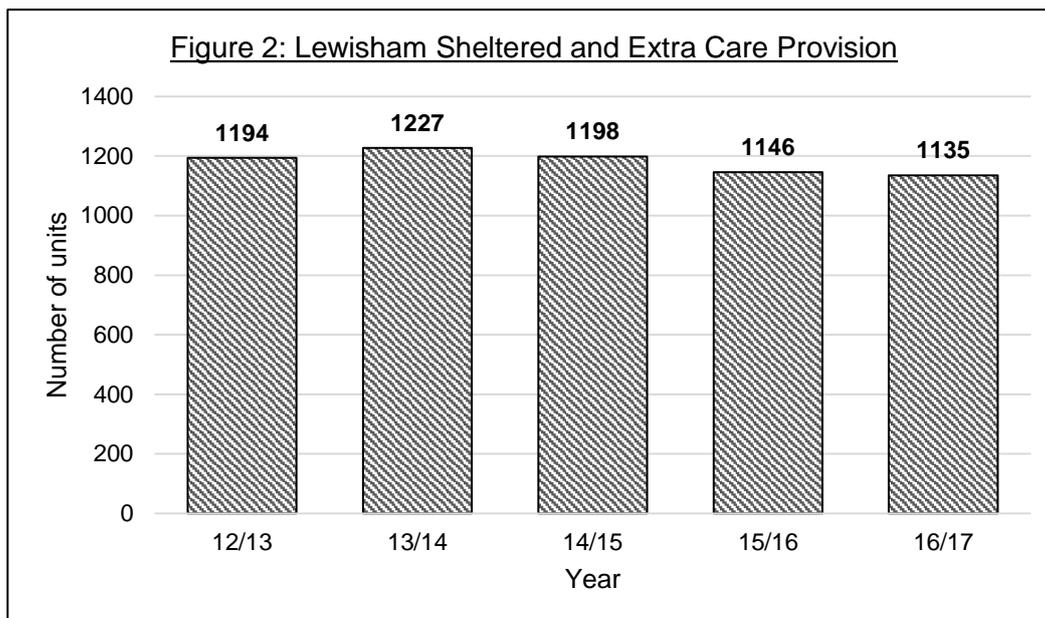


8.6 As outlined in previous reports brought to Housing Select Committee and Mayor and Cabinet, Lewisham Borough is developing new extra care schemes with a more flexible approach, including at Conrad Court and Hazelhurst Court, our newest schemes.

8.7 The goal in new schemes of this type is to create a mixed and supportive community. This means including a third of residents with no / low support needs, a third of residents with medium support needs and a third of residents with high support needs.

8.8 This model is evidencing strong co-production, healthy co-dependencies and increased autonomy and self-determination developing between residents, with each group benefitting from the skills and talents of the other and not always being seen as passive recipients of services. This model also recognises the changing care needs of an individual over time.

8.9 Due to the uncertainty in funding of the supported housing sector as previously outlined there has been a relatively static number of sheltered / extra care units in Lewisham over the last years, as shown in Figure 2.



Short-term and long-term supported housing for vulnerable adults

8.10 Lewisham Council currently commission the following short term / vulnerable adult supported pathways:

Pathway	Units	Sites	Assessment Units*	Specialist Units**	Move on accommodation***
Vulnerable adults	229	27	43	83	103
Mental Health	220	22	10	125	85
Young persons pathway	119	13	25	75	19

* Assessment units are used to provide space and time for a full assessment of the clients needs

** Specialist units provide support based on the needs of the client

*** Move-on accommodation is used when a client has made satisfactory progress and requires less intensive support, to be assessed for suitability to exit the pathway into general needs accommodation

8.11 The average age of individuals in the mental health and vulnerable adults pathway is 40/41 years old. Only 2% of residents are of retirement age.

8.12 The average age of an individual in the young persons pathway is 19 years old.

8.13 In addition to the directly commissioned units there are also a significant number of supported housing schemes owned by private providers and the voluntary sector (delivering around 330 units)

which are funded solely through Housing Benefit. Officers work with these providers to attempt to ensure that their services are safe and providing quality support but the ability of the council to direct these services is limited. This situation will change if the proposed changes to supported housing funding come into effect as planned in 2020 (see section 6)

8.14 The majority of long-term supported housing is for adults with learning difficulties. There are 51 of these services, with 199 bed spaces.

8.15 These units are supplied by 10 different providers, ranging from one provider having a single service to another supporting 14 services.

8.16 The majority of these are in shared houses, with only 11 individual flats or units. These are likely with shared communal space and shared support services.

8.17 In addition there are 20 placements out of borough, which are all individually spot purchased from a range of providers in different settings

9. Financial Implications

9.1 8.1 The purpose of this report is to update Members on Supported Housing policy changes. As such, there are no specific financial implications arising from the report itself.

9.2 8.2 As the situation develops and more detail is known on the proposed changes, further update reports will include assessments and detailed financial impacts of each change/proposal.

10. Legal Implications

10.1 There are no specific legal implications to this report.

11. Equality Implications

11.1 There are no specific equalities implications to this report.

12. Human Rights Implications

12.1 There are no specific human rights implications to this report.

13. Environmental Implications

13.1 There are no specific environmental implications to this report.

14. Background Documents and Report Author

14.1 If you require further information about this report please contact Rachel Dunn, rachel.dunn@lewisham.gov.uk