ABSTRACT: This report sets out Angus Council’s response to the Department for Work and Pensions consultation on Housing Benefit Reform – Supported Housing and raised some possible issues which may be of interest for Members and Angus Council.

1. RECOMMENDATION(S)

1.1 It is recommended that Committee:

(i) agrees the response;

(ii) notes the potential for change on how housing costs and support costs are calculated and paid for.

2. PROPOSAL

2.1 This consultation seeks views on the UK Government’s proposals to change the method by which help with rent is worked out for those who live in supported housing within the social and voluntary sector. It seeks views to inform our policy development as the UK Government look to re-design the way in which Housing Benefit helps with the higher rents sometimes faced by the elderly or those with disabilities. The public consultation applies to England, Scotland and Wales.

3. BACKGROUND

3.1 The UK Government’s intentions are that the reformed scheme should:

• recognise that supported housing carries higher costs;
• but come with appropriate controls on levels of rent;
• be clear about the types of additional activities that might be covered and those which would not;
• be better targeted at those who need help;
• be easier to understand and administer;
• provide a predictable level of income for providers;
• where necessary, use local expertise in setting the level of help available;
• provide robust expenditure control and provide value for money;
• be compatible with Universal Credit.

3.2 Within the reform objectives, the UK Government believe that having a disability, personal care or support need does not necessarily mean that a person’s home has to be different from or more expensive than mainstream housing. They do, however, recognise that in certain circumstances housing costs may be higher because of an individual’s needs.

3.3 The UK Government believe that there must be an appropriate system in place that controls the levels of rent we will pay. They do not believe that it would be right for Housing Benefit tenants to have access to unrestricted funds in meeting the rent for their accommodation.

3.4 The UK Government believe that any changes made to Housing Benefit must target help to those who genuinely need it. Any additional Housing Benefit should only meet additional, but reasonable, housing costs incurred over and above that of mainstream accommodation and that there should be a transparent system of expenditure control that is simpler to understand and administer. The UK Government want to build on the Local Housing Allowance by having a flat rate allowance for those in supported housing tailored in a way that assists with their higher housing costs.
3.5 The reform seeks simplification and a desire to seek certainty about benefit entitlement, so that tenants can more confidently commit to taking on a new home. For people who require very individual care and accommodation, the UK Government want a system that is flexible enough to meet their housing needs following input from relevant local experts.

3.6 The UK Government are certain that this reform has to be compatible with the proposed structure of the Universal Credit. These proposals will simplify how Housing Benefit is worked out so that it is easier to understand and will align better with Universal Credit in becoming more streamlined so that it can be delivered centrally.

3.7 Discussion

3.8 It is difficult to see this consultation on Supported Housing Reform as anything other than directly linked to the principles, scale and scope of the wider housing benefit and welfare reforms. Members have previously been briefed on the changes, their timescales and the financial impacts in general and through case studies on individuals.

3.9 There has, for a number of years, been a concern at both UK and Scottish Government levels at the size of the supporting people pot in Scotland and the rest of the UK and a number of studies have been commissioned by both Scottish and UK Governments over the years to look at whether housing benefit and supporting people have been paying for care costs rather than housing costs. Whilst these studies have proved inconclusive, it is possible that this consultation will lead to a clarification of what is to be covered by housing benefit and what should be covered elsewhere, either by alternative funding streams or from resources available to the claimant.

3.10 The consultation paper also makes a number of references to Personal Budgets (Self Directed Support in Scotland) and it is feasible that as part of the wider roll up into Universal Credit that individuals will be encouraged, by both the UK and Scottish Government, to receive a pot of cash through which they can choose where and when to commission their own care rather than, as is prevalent right now, have that care provided directly by Local Government or third parties who have been procured by a local authority.

3.11 Whilst this consultation paper does not set out specific issues it wishes to reform, it does set the scene for further reform. Paragraph 74 at the end of the consultation paper set out the following statement, "We aim to support service charges at a level adequate to meet the running costs of supported housing, but to ensure these charges are limited to genuine housing related costs. We intend to review how these rules work in association with the Department for Communities and Local Government and their Scottish and Welsh counterparts". Whilst it is hoped any change will be proportionate, clear and transparent, there is also the possibility that it narrows the range of services to be deemed as housing related, therefore, creating difficulties for existing or emerging models of provision and putting pressure on other non housing benefit budgets.

4. RISKS

4.1 This report does not require any specific risk issues to be addressed at this time but Members are asked to note the caution in the report on the possible impacts on service users, service design and how services are paid for as a result of the developments which flow from this consultation.

5. FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications associated with this report at this time.

6. HUMAN RIGHTS IMPLICATIONS

6.1 There are no human rights implications for the Council arising from this report.
7. **EQUALITIES IMPLICATIONS**

7.1 Issues dealt with in this report have been subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

8. **ANGUS COMMUNITY PLAN AND SINGLE OUTCOME AGREEMENT**

8.1 This report contributes to the following local outcomes contained within the Single Outcome Agreement 2011-14:

- We have improved the health and wellbeing of our people and inequalities are reduced;
- Individuals are supported in their own communities with good quality services; and,
- Our communities are developed in a sustainable manner.

9. **CONSULTATION**

9.1 The Chief Executive, Director of Corporate Services, Director of Social Work and Health, the Head of Finance and the Head of Law and Administration have been consulted on the contents of this report.

10. **CONCLUSION**

10.1 In itself, this consultation is the beginning of a reform programme for Housing Support as funded by housing benefit. This report sets out Angus Council's response to the questions asked in the consultation and highlights some possible areas of interest for Members and Angus Council.

RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES

**NOTE:** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.
Consultation questions

We want your views on the issues discussed in this consultation. This is a list of questions which we would particularly like your views on.

Conventional supported housing

**Question 1.** What types of supported housing are available and how do you suggest they should be identified and grouped?

There is a wide range of housing in the bricks and mortar sense and it often spans a very diverse range of levels of support and independence. If housing can be categorised by the level of specific adaptations (or amendments form mainstream design built in) then that would be helpful in transparency of the bricks and mortar cost. The levels of care would then, in all likelihood, expand (and could, therefore, be categorised in a similar vein) as the housing becomes more adapted and therefore, care costs can be considered to rise in line with that adaptation level.

**Question 2. Should there be different geographical rates for each type of mainstream supported housing, such as hostels, sheltered housing or refuges or should a single rate be applied?**

The LHA already makes regional differences so that principle should be applied in this context.

**Question 3. What types of additional activities or resources are typical of supported housing and how should these be quantified into a weekly amount per unit?**

There is already a move towards benchmarking costs across Scotland from within the Local Government sector with a desire to drive efficiency and standardisation of cost and service provision. In doing this, benchmarking should assist both driving costs down, ensuring a standard service quality and scope. It would aid transparency if bricks and mortar costs and support costs could be clearly defined and at present there is comfort with current definitions. Any change will need to be considered, not just as a housing benefit reform issue, but also as an agent for change in the community care and independent living agendas.

**Question 4. Should an amount for the additional help be worked out using a flat rate addition representing typical additional costs or should a different method be used? Please tell us what you think are the advantages of your preferred option.**

The principle of standard costs has been amended in the housing benefit reform agenda with the removal of the top up element so it seems incongruous to apply a reformed principle in this arena. Costs should reflect actual costs but it is noted that Central Government may wish to apply checks and balances on these costs.

Specialist individual housing

**Question 5.** What types of supported housing would fall into this group and how do you suggest they should be identified?

Exiting exemptions (for adaptions) from the Right to Buy in Scotland could be used.

**Question 6.** What types of higher housing costs are typical of this type of supported housing that are over and above adaptations or specialist equipment, which have funding sources elsewhere and how should these be quantified?

These additional costs tend to be related to the person-centered support and not the bricks and mortar costs. Additional bricks and mortar, running costs and housing costs have been identified in the paper.

**Question 7. Would the additional help for those with very individual housing needs be better met from separate funding administered by local authorities, expert in providing housing and/or care in the community?**

This would allow for benchmarking and a move towards standardisation of service design in the Scottish context and as noted work is ongoing in this area already. Any move to have this administered and funded at the local level may have the benefit of a clearer focus on service design and may fit in with the self directed care agenda. It may, however, lead to confusion, worry and a greater burden on those who may have difficulties in working with a reformed agenda.
**Question 8.** Which tier of Local Government should have responsibility for deciding how extra help should be allocated? And, which Department within a local authority do you think is best placed to manage the allocation of this funding?

This question appears to be more focussed on English authorities. We would be comfortable with it being delivered in Scotland within the 32 local authorities or within groupings of these. The siting of it in a particular Department is not as important as the quality of the outcomes for individuals.

**Question 9.** Should a different method be used? If so please explain.

See above.

**Question 10.** How can funding be made sufficiently flexible to changing caseloads and demands without being unlimited or increasing unit costs compared to the existing system?

Devolved budgets and clear criteria.

**Wider reform**

**Question 11.** Is there a case for considering housing costs more fundamentally within a wider context by having the additional costs associated with supported housing taken out of Housing Benefit altogether and administered locally in the same way as Personal Budgets?

Bricks and mortar costs should be clearly identified and handled as part of the current reform agenda. We still believe that landlords should be paid directly. We are relaxed about the management of the housing support costs and this is already part of a wider debate on self directed care in Scotland. We, however, accept that high cost housing options which rely on housing benefit to pay for support costs may be at risk as part of this agenda.

**Question 12.** Would this sort of approach only be appropriate for those that live in more specialised or adapted properties?

No, it is a principle and not an approach that is being applied across all services and service reform.

**Supported housing of registered providers and social landlords**

**Question 13.** Should the supported housing of registered providers be treated in the same way, for Housing Benefit purposes, as their mainstream housing?

Yes.

**Question 14.** What do you think of the proposed categorisation of supported housing; is there a sound basis for treating these three types of supported housing differently? (Registered providers, those who can be identified by their accommodation type and those with more intense, individual needs).

There is a case to be made for one standard approach and a simplification of the system which allows consumers to have a wider choice based on cost and quality and not an artificial sectorial or provider based categorisation.

**Question 15.** Is the process of rent-officer referral sufficient to ensure that only ‘reasonable’ supported accommodation costs are met in the registered provider sector? Are there ways in which the rent referral process could be improved?

It is as fair as any other approach. This also re-enforces the need for regional variance. There is existing confidence in the rent officer model in our area so we are content to see that continue.

**Transitional arrangements**

**Question 16.** How do you think the new rules should be introduced?

Slowly and with the maximum consultation.