

Funding for Support Housing Consultation

Submitted by MHA

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Who is MHA?

MHA is an award-winning charity providing care, accommodation and support services for older people throughout Britain. We are one of the most well-respected care providers in the sector and amongst the largest charities in Britain, providing services to older people for more than 70 years. We want to tackle isolation and loneliness among older people by connecting older people in communities that care.

MHA delivers a range of high quality services to 17,000 individuals:

- 4,350 older people living in 84 care homes - residential, nursing and specialist dementia care
- 2,500 older people living independently in 72 retirement living communities with flexible support and personalised care, with a further ten sites in development
- 10,000 older people supported through 66 Live at Home services in the community.

Our services are delivered by 7,000 dedicated staff and enhanced by the commitment of 5,500 volunteers.

MHA recognises that loneliness is an increasing challenge that affects many of us as we age and it is manifested physically, emotionally and spiritually. Our ambition is to ensure that every older person can be connected within a community of their choice so they can live an independent and fulfilled later life as they age.

MHA is pleased to respond this inquiry. We have 1,209 units of sheltered housing accommodation for rent or shared ownership in England. We know that, as a minimum, 26% of residents in these units are in receipt of Housing Benefit, as it is paid directly to us. The percentage may be much higher as residents may claim their Housing benefit themselves and then pay it to us.

The 1,209 units are spread across 52 schemes in England as rental or shared ownership properties. Within these 52 schemes, 31 schemes have at least one person claiming housing benefit which is paid directly to us.

Key points

- We do not believe that the current proposals will provide a cost effective and affordable mechanism to support sheltered housing tenants. Our comments relate specifically to sheltered housing because it is distinct from other supported housing.
- This funding model should not be introduced for sheltered housing.

- Funding to support tenants in sheltered housing should be considered as part of a wider debate on welfare benefits for older people and the current pressures on health and social care to give an integrated approach.
- Funding to support the housing costs of older people should be administered nationally.
- We do not think the proposals recognise the value that sheltered housing offers.
- The proposals risk uncertainty and anxiety for many older people living in sheltered housing.
- Local Authorities do not want this additional burden.
- For some larger providers, this will create uncertainty about the future of existing sheltered housing schemes and limitations on the development of new schemes to meet the increasing need.

*Q1. The local top-up will be devolved to local authorities. Who should hold the funding; and, in two tier areas, **should the upper tier authority hold the funding?***

Our view is that the local top-up approach is not an appropriate funding model for sheltered housing.

We agree with the bigger providers of sheltered housing that older people should be removed from the Local Housing Allowance (LHA) cap proposals completely. The proposals bring older people prematurely into the remit of the current welfare reforms even though they were explicitly excluded from other welfare reform provisions.

Tenants should be supported to meet the true costs of providing sheltered housing through a nationally administered model, as recommended by the Local Government Association¹ for payments which could be delivered through Pension Credit. This would allow clearer definitions of sheltered housing together with controls on the services charges that will be met, providing guidance on reasonable levels for these charges which reflect the true cost.

If the funding is devolved, we see pros and cons for both tiers. We are concerned about the level of housing knowledge and strategic housing responsibilities at top-tier county level, but we recognise they hold much of the commissioning capacity and have the social care responsibilities. It also seems likely that district level Local Authorities (LAs) would not have the capacity to implement the new model effectively. Whichever tier is chosen, there needs to be clear responsibilities for planning and assessing needs of the current and future population of older people.

*Q2. How should the funding model be designed to maximise the opportunities for local agencies to collaborate, encourage planning and commissioning across service boundaries, and ensure that different **local commissioning bodies can have fair access to funding?***

The funding model needs to be designed to enable local agencies to meet local need. We think that older people should be removed from these proposals completely.

Should Government seek to proceed with the current proposals, there should be a specific cap for sheltered housing that reflects the true cost of the additional facilities provided,

¹ [Building our homes, communities and future](#), Local Government Association, January 2017

which contribute to the preventative nature of the housing. We would support more discussion with the sector to explore how sheltered housing is targeted at people with a range of needs to ensure that its preventative contribution is recognised and maximised.

Overall we are sceptical that these proposed changes will result in “a more coherent approach in commissioning needs across housing, health and social care” as asserted in the consultation document. As MHA is also an adult social care provider, we have first-hand experience of the enormous variation in approaches to health and social care integration in the 128 LA areas that we work in, in our care homes. These proposals need to be backed up by thoroughly considered guidance and outcomes framework covering integration

*Q3. How can we ensure that **local allocation** of funding by local authorities matches local need for supported housing across all client groups?*

If this funding model is introduced, it will be vital that the ring-fence remains in perpetuity. Given the pressures on LA budgets and previous experiences of devolved budgets, if the ring-fence is removed this will inevitably lead to a rapid reduction in the top-up funding for sheltered housing residents.

The top-up funding should be allocated to local authorities based on the current levels of Housing Benefit that are paid to meet the true costs of providing supported housing. LAs should receive a ‘top-up’ fund sufficient to meet the initial demand and with capacity to respond to future demand.

Given the current pressures on housing and the growth in our ageing population, it is important that policy change supports housing choice for older people both in terms of suitable design and planning for later life. Sheltered housing has a crucial role to play in this, in both meeting community needs and reducing pressure on health and social care.

*Q4. Do you think **other funding protections for vulnerable groups**, beyond the ring-fence, are needed to provide fair access to funding for all client groups, including those without existing statutory duties (including for example the case for any new statutory duties or any other sort of statutory provision)?*

From our perspective, the older people we serve may have a range of vulnerabilities and may not fit into one group. Given our ageing population and their need for sheltered housing/appropriate housing choice, it is important that this policy change encourages LAs and providers to think innovatively about future housing design to meet a wider range of needs and vulnerabilities e.g. more flexible and integrated/intergenerational housing solutions.

The current proposals do not appear to offer any protection for our existing residents. A ring-fence will protect the top-up funding that LAs receive, but existing tenants may see a shortfall in their Housing Benefit payments and face uncertainty until the LAs have made decision about commissioning their accommodation and funding the gap.

The proposed system seems likely to create an inconsistency across the country, given the big variations in LHA compared to the full cost of sheltered housing. This makes the ring-fencing of the top-up funding for LAs even more important along with safeguards to ensure that current tenants are protected.

There is also a potential postcode lottery inherent in these changes, which means that they do not offer an effective method to avoid adverse impact on tenants and providers in low-value part of the country.

*Q5. What expectations should there be for **local roles and responsibilities**? What planning, commissioning and partnership and monitoring arrangements might be necessary, both nationally and locally?*

From an older person's perspective, our view is that tenants should be supported to meet the true costs of providing sheltered housing through a nationally administered model, as recommended by the Local Government Association² for payments which could be delivered through Pension Credit. This would allow clearer definitions of sheltered housing together with controls on the services charges that will be met, providing guidance on reasonable levels for these charges which reflect the true cost.

If the funding is devolved we would support a strong national framework to ensure there is consistency across LA areas in terms of planning, commissioning and monitoring arrangements.

We note that the bureaucracy of these proposed changes also presents a risk as individual LAs will need to administer the new system, something they do not welcome, illustrated by Lord Gary Porter, Chair of the Local Government Association, speaking at the Conservative Party conference he said *"If anybody is talking about giving us [local government] new duties, they need to go away and they need to go away very quickly. You cannot solve problems by making councils have duties to do things. You have to give us the means to will the outcome."*³

*Q6. For local authority respondents, what **administrative impact and specific tasks** might this new role involve for your local authority?*

N/A

*Q7. We welcome your views on what features the new model should include to provide **greater oversight and assurance** to tax payers that supported housing services are providing value for money, are of good quality and are delivering outcomes for individual tenants?*

Many of the older people we serve have been and may still be taxpayers, so our view is that any policy change needs to provide assurance on value for money, quality and outcomes for a broader audience, which includes the customers themselves.

It is important to note that rent levels in social housing are set nationally by the Social Housing regulator, which currently includes a 1% rent reduction for 3 years delivering direct benefit to both tenants and the taxpayer.

² [Building our homes, communities and future](#), Local Government Association, January 2017

³ <http://www.insidehousing.co.uk/business/lga-chief-hits-out-at-supported-housing-duty-proposal/7017043.article>

If possible it would be useful to use existing monitoring systems to avoid huge variation and bureaucracy. Customers should be central to any system and articulate what they value about their homes and services.

*Q8. We are interested in your views on how to strike a balance between local flexibility and provider/developer certainty and simplicity. What features should the funding model have to provide **greater certainty to providers** and in particular, developers of new supply?*

The funding model has to reflect current levels and true costs of providing sheltered housing, as well as providing capacity and incentive to respond to future demand.

*Q9. Should there be a **national statement of expectations or national commissioning framework** within which local areas tailor their funding? How should this work with existing commissioning arrangements, for example across health and social care, and how would we ensure it was followed?*

Yes. If the funding is devolved, we would support a strong national framework to ensure there is consistency across LA areas in terms of planning, commissioning and monitoring arrangements. These proposals need to be backed up by thoroughly considered guidance and outcomes framework covering integration.

As MHA is also an adult social care provider, we have first-hand experience of the enormous variation in approaches to health and social care integration in the 128 LA areas that we work in, in our care homes. The Government should not underestimate how challenging it will be to integrate supported/sheltered housing commissioning into existing health and social care arrangements.

*Q10. The Government wants a **smooth transition** to the new funding arrangement on 1 April 2019. What transitional arrangements might be helpful in supporting the transition to the new regime?*

If the proposals are implemented we would support transitional protection at existing levels of payment for a period of at least 5 years for existing tenants who would see the impact of adverse commissioning decisions.

If it is introduced, it will be vital that the ring-fence remains in perpetuity. Given the pressures on LA budgets and previous experiences of devolved budgets, if the ring-fence is removed this will inevitably lead to a rapid reduction in the top-up funding for sheltered housing residents.

*Q11. Do you have **any other views** about how the local top-up model can be designed to ensure it works for tenants, commissioners, providers and developers?*

Our view is that older people should be removed from the LHA cap proposals completely. The proposals bring older people prematurely into the remit of the current welfare reforms even though they were explicitly excluded from other welfare reform provisions.

We reiterate that tenants should be supported to meet the true costs of providing sheltered housing through a nationally administered model, as recommended by the Local Government Association for payments which could be delivered through Pension Credit.

This would allow clearer definitions of sheltered housing together with controls on the services charges that will be met, providing guidance on reasonable levels for these charges which reflect the true cost.

Should Government seek to proceed with the current proposals, there should be a specific cap for sheltered housing that reflects the true cost of the additional facilities provided which contribute to the preventative nature of the housing. We would support more discussion with the sector to explore how sheltered housing is targeted at people with a range of needs to ensure that its preventative contribution is recognised and maximised.

However, the focus on the funding model of these consultation questions, misses the other risks of this policy change to current and future tenants in terms of access to affordable and suitable housing for later life, which offers a wider range of benefits such as reduced isolation, more active networks, downsizing to free up homes for families and promoting independence and resilience. Enabling older people to make positive decisions to move to properties that support healthy ageing can reduce cost pressures on health and care services.

*Q12. We welcome your views on how **emergency and short term accommodation** should be defined and how funding should be provided outside Universal Credit. How should funding be provided for tenants in these situations?*

N/A