



Learning Disability England

Supported Housing survey

12th October 2016

what the announcement about supported housing said

- The Shared Accommodation Rate of LHA, which limits Housing Benefit for claimants under 35 to the cost of a room in a shared home, will not apply to residents in supported housing.
- LHA rates will not apply to supported housing rents until 2019/20.
- From 2019/20 all residents in supported housing who are eligible for financial assistance with their rent and service charge payments will receive Housing Benefit or the housing element of Universal Credit up to the applicable LHA rate.
- A new funding model for the sector to be introduced from 2019/20.
- Costs above the LHA rate will be met by a ring-fenced fund which the Government will devolve to local authorities in England. Wales and Scotland will receive an equivalent amount and will be able to decide how to allocate this funding.

what the announcement about supported housing said (2)

- the deferral of rent reductions for supported housing will end. Rent reductions will be applied to supported housing schemes so that rents for these properties will decrease by 1% a year for 3 years, up to and including 2019/20.
- The exemption for specialised supported housing will remain in place over the period and will be extended to include fully mutuals/co-operatives, alms houses and Community Land Trusts and refuges.

Definition of specialised supported housing

- *supported housing: – which is designed, structurally altered, refurbished or designated for occupation by, and made available to, residents who require specialised services or support in order to enable them to live, or to adjust to living, independently within the community, – which offers a high level of support, which approximates to the services or support which would be provided in a care home, for residents for whom the only acceptable alternative would be a care home, – which is provided by a private registered provider under an agreement or arrangement with— (i) a local authority, or (ii) the health service within the meaning of the National Health Service Act 2006*

what we want to find out

- The scale of the problem the 1% rent reduction would create
- What our housing provider members think about proposals for local authorities to administer top up housing benefit
- The key issues arising from both proposals
- What action we should take and who we should work with

what proportion of properties meet the criteria for specialised supported housing?

- The 17 members have an average of 63% supported housing that is classed as specialised supported housing.
- 9 members have a majority of specialised supported housing (between 57%- 100% of supported housing stock)
- 5 members have a majority of non specialised supported housing in their supported housing stock (57-100%)
- 2 members have a 50/50 split
- 1 is unknown

what will be the financial impact of the 1% rent reduction on rental income?

- 6 of 17 members said the rent reduction will not apply to them.
- 5 of 17 members said the cuts will have a significant impact and/or make them unsustainable
- 5 of 17 members said their will be a moderate loss of income and 3 of those said they would need to pass costs on to the tenant or reduce additional services
- 1 unknown

Examples reported of cumulative loss of rental income over 3 years

Large housing provider	small housing provider
330,000	36,000
835,000	54,000
	62,000

What will be the financial impact of the 1% rent reduction on rental income?

- *“the cumulative factor of 4 years totalling 12% will be dramatic and potentially unviable”*
- *“it has the potential to make the majority of our schemes unsustainable, we are not for profit but not for loss organisation and we do not have reserves to cover the shortfall and we do not have any other sources of income other than HB”*
- *“It is still unclear to us what Housing Association plans are. If the reductions are introduced, from conversations with RP's in the last week, some plan to reduce the allowances and fees that we retain for managing properties by 1%, in line with rents whilst others are expecting the fees not to change. It is too early to tell at this stage and we are still seeking views however the overall impact for us would be a loss of £12k in core rental income if landlords chose to reduce their rent levels, based on this year's core rents for the buildings we housing manage”*
- *“We have modelled that we will be able to continue with our core services but it may affect some of the additional services that we provide to our tenants and to some extent our planned maintenance programme”*

Is your organisation able to continue to manage current tenancies with the 1% rent reduction?

- 10 out of 17 yes but with with reductions to services, charges passed on to tenants/commissioner and threat to some future business
- 6 out of 17 – rent reduction does not apply
- 1 unknown

“Yes in the short term, but it will reduce the amount of intensive housing management that we are able to provide to vulnerable tenants, such as help with benefits claims, signposting, working with them to make sure they settle into their properties etc. This ultimately will lead to tenancies being at risk.”

“We would expect to continue to manage properties within the 1% rent reductions as we expect to be able to continue to include a charge to cover our management and administration of the properties”

What do you feel will be the impact on the rent top up for supported housing being administered by local authorities?

- 12 out of 17 responses had significant concern about LAs administering top up
- 3 of 17 want to see more detail of how it will work but fine with principles if rents stay the same
- 1 unknown
- 1 'it won't happen!'"

What do you feel will be the impact on the rent top up for supported housing being administered by local authorities?

- Concern about the capacity for LA to manage/understand supported housing
- Concern about threats to sustainability and scheme closures
- Prolong uncertainty in the sector and depress new development opportunities
- Concern about how long will the ring-fence last and guarantees that the fund will increase to meet increases in need (THB comparisons)
- Inconsistency of bureaucratic systems and approaches in different LAs

What mechanisms and safeguards would you want to see in place in local authorities to protect people's homes?

- Tenancy breakdowns managed efficiently
- more social housing options
- approved landlord and accreditation scheme
- Formal agreement in place between LA and housing provider
- Ensure mechanism for top up funding is timely and gives long term tenancy security
- Long term commitment to funding and inflationary increases
- Transitional protection for current tenants with long term plan to protect tenancies
- Allow for tenants with lower level supports to remain in their homes

What mechanisms and safeguards would you want to see in place in local authorities to protect people's homes? (2)

- Commissioners understand true costs of providing supported housing
- Provision to cover extra rent for carers
- Level playing field between registered/no registered/profit making/non profit making providers
- Procedures to be fair, transparent and person centred for agreeing and reviewing top up
- Timescale restrictions and robust & co-ordinated decision making process with a clear and uniform approach
- Clear guidance on administration
- Independent appeals
- All LAs use established definition of supported housing/supported living

What mechanisms and safeguards would you want to see in place to enable your organisation to continue to invest in supported housing for people with learning difficulties?

- Underwriting from LA/NHS commissioners
- Risk sharing
- Timing of payments
- Guarantees for security and longevity of tenure
- Funding maintained at current levels based on individual need
- Arrangements meet long term security need/borrowing requirements of funders
- Central top up fund for LAs to meet local needs
- Clear regs with no room for vague/inconsistent interpretation

Does you have a preference for which tier of local government should administer the top up?

- 10 of 17 have no preference
- Specialist supported housing commissioning team that has in depth understanding of housing/health/care/community and works to REACH/Real Tenancy Test standards
- National rules/system/oversight and sit with commissioning
- Adult social care
- councils with housing responsibility (districts and boroughs)
- Not district councils