

LGA interim statement on future funding for supported housing

11th July 2016



Our understanding of the current situation

DWP and DCLG are jointly reviewing the extent and funding of supported housing with a view to simplifying the administration of housing benefit for this sector under Universal Credit. Initial proposals to achieve this, as announced in the 2015 Spending Review, were to introduce a limit on the amount of housing benefit that could be claimed for supported housing to the level of the local housing allowance cap. The introduction of this proposal has been deferred for a year whilst the review is undertaken and the issue of quality and value for money is examined in more detail. We expect the results of this review, and an associated consultation, will be published over the summer. The LGA will be responding to this consultation and is examining possible future funding models based on the principles set out below.

LGA response to the proposal of applying the LHA cap to supported housing:

- The LGA does not support the introduction of a cap for supported housing rents set at the LHA rate because this will be insufficient to adequately fund this important source of housing for vulnerable people.
- The LGA supports the principle of supported housing as a mechanism to enable vulnerable people to live more independently, achieve better outcomes, and contribute to their local community and economy.
- Of particular concern to LGA members is the ability of councils, Government and health partners, to deliver our shared ambition under the Transforming Care programme to enable those with learning disabilities and behaviours that challenge to live in the community, with the right support, and close to home. Reports from a number of Transforming Care Partnerships are that housing developers have paused plans to build new supported housing. This concern also extends to supporting our ageing population, those experiencing mental illness, those suffering the effects of domestic violence, etc.

LGA underpinning position for any future funding for supported housing

As set out in the LGA 2015 Spending Review Submission:

“Since 2010, councils have dealt with a 40 per cent real terms reduction to their core government grant. In adult social care alone, funding reductions and demographic pressures have meant dealing with a £5 billion funding gap. Even in this challenging context, local government continued to deliver. Public polling has shown that roughly 80 per cent of those surveyed are satisfied with local services and that more than 70 per cent of

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respondents trust councils more than central government to make decisions about services provided in the local area – a trend that has been sustained during the last five years.”

“We fully support further devolution to local authorities. However, to realise the promise of devolution, we need the decisions (in the Spending Review) to be guided by the fundamental principle that local people will know best how to spend money and run services in their local area.”

As set out in the LGA and ADASS 2015 Joint Spending Review Submission:

“Our shared aspiration is for better, more coordinated and more personalised care for people. This means people staying healthy, supported to live in their community and in control of their care and their lives. It means a social care system that is responsive to people’s needs and seamless between different parts of this system. It means care that remains safe and of decent quality, protecting people from abuse and neglect.”

LGA supported housing funding principles:

The LGA will call for any changes to the funding of supported housing to:

- Place at the centre of any decision the needs and choice of the vulnerable person or people, their family and carers, enabling them to realise positive outcomes.
- Recognise that councils have the ultimate responsibility to support, safeguard, care for and house vulnerable members of their community.
- Recognise that local councils, as local public services accountable to local people, are best placed to determine, commission and deliver based on local needs.
- Enable the continued development of more supported housing and similar accommodation, as fundamental to sustainably meeting the future needs of an ageing population.
- Enable councils to continue to work in partnership with their supported housing providers and recognise the need for certainty within the market to enable development to continue.
- Not put council budgets under additional financial pressure, in particular, social care budgets.
- Interact with the reformed benefits system in a way that is fair, accessible and transparent for tenants (and where relevant carers), councils and providers.
- Fully cover the cost of the rent, including the support needs, within supported housing. These rents include the support needed to enable a property to operate as supported housing, in that it meets needs of the vulnerable people who can make it their home.
- Be based on the recognition, as set out in the Care Act, that housing

is a key component of health and care, and is the foundation upon which vulnerable people can achieve a positive quality of life.

- Be flexible enough to provide for the wide spectrum of needs residents of supported have, many of which may be interlinked, and to respond to demand increases in both the volume and complexity of people's needs.
- Minimise bureaucracy and administrative costs.
- Be explicit about any new burdens or duties on councils being proposed, on the understanding that these will be fully funded.
- Base any measurement of quality and value for money on the achievement of outcomes for the vulnerable person in receipt of the housing, and not just the level of rent charged.
- Recognise that the quality and functionality of the property underpins the ability to give and receive good care.

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