



Report for:	Housing and Community Overview and Scrutiny Committee
Date of meeting:	4th November 2020
Part:	1
If Part II, reason:	

Title of report	Supported Housing service: Update
Contact	<p>Cllr Margaret Griffith, Portfolio Holder for Housing</p> <p>Author: Oliver Jackson, Team Leader Supported Housing</p>
Purpose of report	To inform members of prominent areas of work within the service
Recommendations	That members consider the report and make comments as felt appropriate.
Period for post policy/project review	12 months
Corporate objectives	<p>Affordable Housing</p> <p>Delivering an efficient and modern Council</p>
Implications:	<p><u>Financial</u></p> <p>Understanding the financial impact of the current support charge arrangement, and considering the long term impact upon the Housing Revenue Account of any potential changes will be beneficial for financial long term planning.</p> <p><u>Value for money</u></p>

	Reviewing the charge that tenants pay in supported housing ensures that they are receiving value for money for the service. Additionally understanding elements that are subsidised and costs of the service can give opportunity to improve the service and increase value for money
Risk implications	Reviewing support charges to reflect the cost of the service can reduce the financial risk on the organisation and lead to increased investment in the Supported Housing Service. Charges must be balanced with tenant's affordability to ensure needs can be met by this service
Community Impact Assessment	An assessment will be carried out prior to decisions being made that will impact the service
Health and safety Implications	
Consultees:	Layna Warden – Group Manager, Tenants and Leaseholders Fiona Williamson – Assistant Director, Housing Mark Gaynor – Corporate Director, Housing and Regeneration
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	DBC – Dacorum Borough Council SH – Supported Housing HRA – Housing revenue account HCC – Hertfordshire County Council HRS – Housing Related Support CAT 1 and CAT 2 – Category 1 and Category 2

1. Introduction and executive summary

- 1.1 Since 2003 a mandatory charge has been applied for all tenants moving into supported housing. At Dacorum this is referred to as the supporting people charge. The charge contributes towards the cost of the support these tenants have access to. This approach is in line with both local and national providers of housing for older people.
- 1.2 Since the introduction of the supporting people charge there has been significant change within the supported housing sector for older people's housing. The support needs of tenants are broader, models of provision have changed as has funding arrangements for this specific type of housing.
- 1.3 This report outlines the current charge, historical arrangements associated with it and the financial impact upon the council. It moves on to discuss work carried out around splitting intensive housing management and support, and then examines key areas to consider going forward.

2. Historical and current arrangements:

- 2.1 In 2003 the supporting people programme was introduced to consolidate a number of different funding streams for supported housing via the supporting people grant. Supported or sheltered housing services received funding to enable them to provide enhanced services to support vulnerable groups including older people, learning disabilities and mental health services. Dacorum Borough Council's (DBC) supported housing service received this funding from Hertfordshire County Council (HCC).
- 2.2 Pre 2011 DBC's supported housing service was 83% funded by the Supporting People grant awarded by HCC, and 17% funded by the Housing Revenue Account (HRA). In 2013 the service was 40% funded by the HRA, with grant from HCC reduced to 60%. Subsequently Supporting People grant funding from HCC was removed entirely for supported housing. The only funding that remained was Housing Related Support (HRS) for our sole flexi care scheme.
- 2.3 In order to respond to the reduction and subsequent removal of supporting people grant funding the service has been remodelled over time to its current structure. As a result of these changes the support charge applied to the properties has also changed. The current supporting people charges are as follows:
- | | |
|-------------------------------------|----------------|
| Cat 1 – Dispersed supported housing | £5.65 per week |
| Cat 2 – Scheme property | £6.90 per week |
- 2.4 Upon the reduction of the supporting people funding in 2011, DBC took the decision that anyone signing a tenancy who **did not** receive Housing Benefit is required to pay the charge. A decision was also made to continue to

subsidise the support charge to those who moved in before this date. These tenants are referred to as 'pass-ported' tenants. It was also agreed that DBC would continue to pay the supporting people charge for all current and future tenants who are in receipt of Housing Benefit. This arrangement has a significant impact upon the HRA.

2.5 Of the current tenant population living with supported housing 64% are either in receipt of Housing benefit or are 'pass-ported'. Due to the current arrangement with housing benefit, which will be considered in more detail below, the decision to subsidise the support charge for those in receipt of housing benefit and for those in the passported group has a negative impact on the HRA of £206,157.

3. Intensive housing management and support

3.1 Housing Benefit can be claimed on any charges that are classed as Housing Management. To alleviate the financial impact of the removal of the supporting people grant many providers sought to recoup costs via housing benefit (HB) through classifying a proportion of Supported Housing charges as HB eligible intensive housing management.

3.2 DBC only claimed HB on approximately 15% of the support charge for Cat 2 supported housing which was classed as the 'communal living charge', this was not applied to Cat 1 supported housing. In 2019 an exercise was carried out to classify regular Supported Housing Officer tasks into intensive housing management and support. In agreement with DBC HB department it was agreed a 45% / 55% split between intensive housing management and support. This allowed a greater amount to be claimed from HB reducing the amount subsidised by DBC. In the financial year 2019/20 this increased income into the HRA by £157k. This report will recommend that a further exercise takes place to gain a greater understanding of the split and in turn facilitate a review of the arrangement with HB.

4. Value for money

4.1 Appendix 1 is a small scale benchmarking exercise carried out by the team to understand what charges other providers were applying both locally and nationally. As you will see the cost charged by DBC is less than all those other providers listed and we have been unable to find a provider who charges less than DBC.

4.2 An exercise is being undertaken with the HRA accountant to understand the true cost of the service. While this is yet to be finalised, it is clear that the current support charge does not cover the cost of the service. When

considering the cost of the service it appears that the actual cost, should it be divided between all tenants on a weekly basis would be in the region of £13-£15 per tenant, per week.

4.3 This is a considerable increase from the existing charge and with little demand for some Supported Housing properties any decisions that could impact on the further demand of tenants moving into this homes needs to be carefully considered. There is considerable evidence that Supported Housing reduces lengthy hospital stays and tenants needed to move into residential care homes and therefore there is a wider benefit to a low support charge.

4.4 In the 2019/20 Tenants and Leaseholders survey there was a specific section that referred to supported housing. One of the questions that was asked was whether the current support charge offered value for money. Of the respondents, 92.6% stated that they felt it did.

5 Models of delivery

5.1 As stated earlier in this report the support charge is a mandatory charge and is attached to all properties. The charge does not take into account the level of support that an individual has. It is therefore common to have a situation where tenants with significantly different levels of support being provided, paying the same charge.

5.2 The benchmarking exercise carried out (Appendix 1) shows that some other providers offer a tiered service, where tenants will pay differing charges relating to the level of support that they receive. This approach offers choice to tenants to move easily within the tiers to ensure that the amount of support charge they pay is reflective of the service that is provided to them. Initial conversations with the Income team, who collect the supporting people charge, suggests that this would not be problematic from an administrative or collection perspective.

5.3 While the tiered approach to service delivery would promote choice for tenants, there is some concern about the moral stance should tenants require a higher level of service but be unable to afford to pay a higher tier payment. Additionally, support needs are often 'hidden' outside of their regular contact with an officer, for example a tenant agreeing to a quarterly, regular visit only for them to approach the member of staff on site on a much more frequent basis.

6 Areas to consider

1. Should DBC continue to pay for the support charge for those tenants on housing benefit, or should they make a contribution?
2. Should DBC continue to pay for the support charge for those tenants in the pass ported group?
3. Should DBC adopt a tiered approach to service delivery / charging?
4. Given the current climate, should DBC consider increasing the charge to reflect the true cost of the service and to bring it further in line with other providers, or should the charge remain the same and be used to show that we provide value for money?
5. If the charge is to be increased, should this be applied to all existing tenants or should the target rent model be followed and the increase only applied to new tenants?
6. If the charge is to be increased, should this be done on an incremental basis over a three year period?

7 Next steps

7.1 It is anticipated that service wide consultation will be carried out with supported housing tenants in relation to the above. It would also be prudent to consult with key partner agencies to understand the potential impact upon voluntary and statutory services.

7.2 A Community Impact Assessment will be carried out to consider the potential impact on tenants. It is worth noting that some of our tenants are vulnerable due to their care and support needs, but also due to their inability to maximise income.