

CABINET

18 DECEMBER 2012

SUPPORTED ACCOMMODATION TASK GROUP

Portfolio Holders: Councillor David Brake, Adult Services
Councillor Howard Doe, Housing and Community Services

Report from: Neil Davies, Chief Executive
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Summary

This report asks Members to consider the final report of the in-depth review of supported accommodation and agree the findings and recommendations of the Task Group set up to carry out the review for referral to the Cabinet on 18 December 2012.

1. Budget and Policy Framework

- 1.1 Medway Council's Supporting People Strategy 2010-2013 was agreed in January 2009 and set out the vision and direction for services and support for vulnerable people over that period.
- 1.2 However, following the ending of the ring fence for Supporting People in April 2009 and the need to reduce funding allocated to Housing Related Support, Medway took the decision at Full Council in February 2012 to end its programme and align the commissioning of Housing Related Support with other forms of support and care. Housing Related Support is distinct from social care and housing or property management and is designed to secure the housing tenancy of their choice. The services are preventative and thereby minimise the risk of service users entering crisis or emergency support.
- 1.3 In 2009 there was a total of 96 services being provided under contract by 34 providers. Thirteen services were provided directly by Medway Council and the remainder by organisations from the independent sector. Following funding reductions in 2012/2013, there are now 26 provider organisations delivering 66 service contracts. The reduction in both providers and service contracts is a result of merging of contracts in July 2012 and the movement to combining Housing Related Support and social care packages of support for those eligible

for social care. Further details can be found in paragraph 4.3.1. of the review document.

- 1.4 The recommendations are consistent with the Council's Policy Framework and, as they can be met from within budget, are a matter for Cabinet.

2. Background

- 2.1 At a meeting of the Council's Audit Committee on 5 July 2011 concerns were raised about projected Housing Benefit subsidy loss on exempt accommodation¹ during a discussion about an audit of Housing Benefits. Subsequently at Business Support Overview and Scrutiny Committee in August 2011 concerns were expressed about the quality of supported accommodation.
- 2.2. At a meeting of Regeneration, Community and Culture Overview and Scrutiny Committee on 28 June 2012 a five member short life Task Group was set up to look into these issues.
- 2.3. The Task Group has met with officers from Finance and Housing and discussed the matter with expert consultants in the field of housing related support and exempt accommodation.
- 2.4 The Task Group has now concluded its review and a copy of its report is attached at Appendix A.

3. Key Findings

- 3.1 In formulating the recommendations set out in paragraph 7 the Task Group concluded:
 - There is a need for legislation to be tightened in relation to housing benefit and exempt accommodation
 - Additional assistance would be helpful in the housing benefit section to address the high volume of claims, to continue the robust challenge to high rents and the vigorous challenge to any future Tribunal cases
 - Outcomes based commissioning is the way forward in terms of quality of provision in relation to housing related support along with a greater understanding of the need in this area.

4. Advice and Analysis

- 4.1 Chapter 6 of the attached review document provides the background to the recommendations.
- 4.2 A Diversity Impact Assessment (DIA) screening form will be completed at the point of re-commissioning of housing related support.

¹ Exempt accommodation is defined in legislation as: a resettlement place or accommodation provided by a county council, housing association, registered charity or voluntary organisation where that body or person acting on their behalf provides the claimant with care, support or supervision. 'Exempt' means exempt from the Housing Act 1996 changes that brought in the Local Reference Rent.

5. Regeneration, Community and Culture Overview and Scrutiny Committee – 13 December 2012

- 5.1 The Regeneration, Community and Culture Overview and Scrutiny Committee will consider this report on 13 December 2012. The comments and recommendations of this Committee will be reported to Cabinet in an addendum report.

6. Risk Management

- 6.1 This review has considered the impact and availability of affordable credit, together with the general debate on debt advice and debt management. In bringing forward recommendations the Task Group was mindful of the impact on the council's strategic objectives and enhancing the value of services provided to the Medway community. The recommendations therefore bring forward a comprehensive package designed to improve outcomes of those residents in Medway who are eligible for housing related support. They also suggest lobbying the government to improve the regulation of enhanced housing benefit, which would assist the Council's financial position.
- 6.2 The delivery of some of these recommendations will require further action and assessment by officers or other organisations.

7. Financial and Legal Implications

- 7.1 The subsidy loss in respect of the payments made for claimants in exempt accommodation is forecast to be £1.9 million in 2012/2013 which is an increase of £0.3 million on that experienced in 2011/2012. The work that has been undertaken recently by the Benefits Manager is likely to reduce this number although this will likely be offset by growth in the number of claimants.
- 7.2 Housing Benefit payments to these claimants are determined according to the Housing Benefit Regulations 2006 (SI 2006/213), with amendments. The Council has no jurisdiction to vary the terms of these regulations, which are applied nationally, but may take all necessary steps to ensure that the accommodation complies with the requirements to be treated as exempt within the definition found in paragraph 4(10), schedule 3, of the Housing Benefit and Council Tax Benefit (Consequential Provisions) Regulations (SI 2006/217). The more generous rules relating to the determination of an eligible rent in these cases are also found within schedule 3 of the aforementioned regulation.
- 7.3 The Council has the power to make Housing Benefits payments in accordance with the Housing Benefits regulations 2006.
- 7.4 It is important to ensure that a Diversity Impact Assessment is undertaken in accordance with the Council's public sector equality duties under The Equality Act 2010.

8. Recommendations

8.1 The Cabinet is asked to consider the comments and recommendations of the Regeneration, Community and Culture Overview and Scrutiny Committee and agree the recommendations as set out below:

1. To request the Chief Finance Officer to write to Lord Freud, Minister for Welfare Reform at the Department of Work and Pensions, and to the three Medway Members of Parliament requesting that they also put pressure on Lord Freud, to (a) tighten up the regulations in connection with eligibility to exempt accommodation in view of the increasing financial burden being placed on local authorities brought about by the lack of a cap on the amount which could be charged by providers for enhanced housing benefit; and (b) address the inequality and burden placed on this Council by the increasing migration of people into Medway, eligible for enhanced housing benefit, for whom the Council may only claim part subsidy.
2. To request the Chief Finance Officer to report back on the business case for seconding additional, specialist, support into the Benefits Team in order to increase the capacity for dealing with complex negotiations with exempt accommodation providers. This would be on the basis of an 'invest to save' proposal as it would release the Benefits Manager to continue in her existing role within the specialist service, with responsibility for the quality assurance of the benefits caseload together with work in respect of liaison and forward planning in respect of Welfare. This would enable the Council to maintain its stance in robustly challenging high rents, negotiating lower rents and provide for a robust case in the event of a challenge at Tribunal stage.
3. To support the following proposals in relation to enhanced housing benefit and instruct officers as follows:
 - a. As part of the negotiations with exempt accommodation providers the Council should set out its expectations relating to outcomes and promote a clear 'move on' pathway/outcomes star programme (or equivalent pathway) with regular monitoring updates to enable the Council to track the outcomes for people in exempt accommodation.
 - b. An enquiry tickbox questionnaire should be developed for potential providers of exempt accommodation asking the following:
 - i. Questions about the eligibility of the landlord to provide the relevant support
 - ii. Questions about the premises – does the landlord own the freehold for example?
 - iii. Information about staffing and the roles of the staff employed
 - iv. Details of how the provider work out their rent costs

- v. Whether the landlord had also requested support from the commissioning part of the Council
 - vi. Details, including training, qualifications etc of any support workers employed by the landlord
 - vii. Information about how the landlord could demonstrate quality in the support they were offering.
4. To (a) support the direction of travel, suggested by the Task Group, as set out in paragraph 6.2.14 in the report, in adopting a smarter, more cohesive structured approach to the commissioning of Housing Related Support for those areas considered as part of the review, and (b) instruct officers to prepare a Commissioning Framework for services and to develop a timetable to allow for the efficient, effective and equitable commissioning of services to reflect the approach endorsed by the Task Group and present their Quality Assurance Framework to Regeneration, Community and Culture Overview and Scrutiny Committee and Cabinet Members prior to implementation.

9. Suggested reasons for decision

- 9.1 To ensure the continuance of robust challenge in relation to dealing with enhanced housing benefit applications and applications from providers of exempt accommodation. The decision is also designed to introduce outcomes based commissioning of housing related support to improve the quality of provision across the area and bring about a greater understanding of the need in this area.

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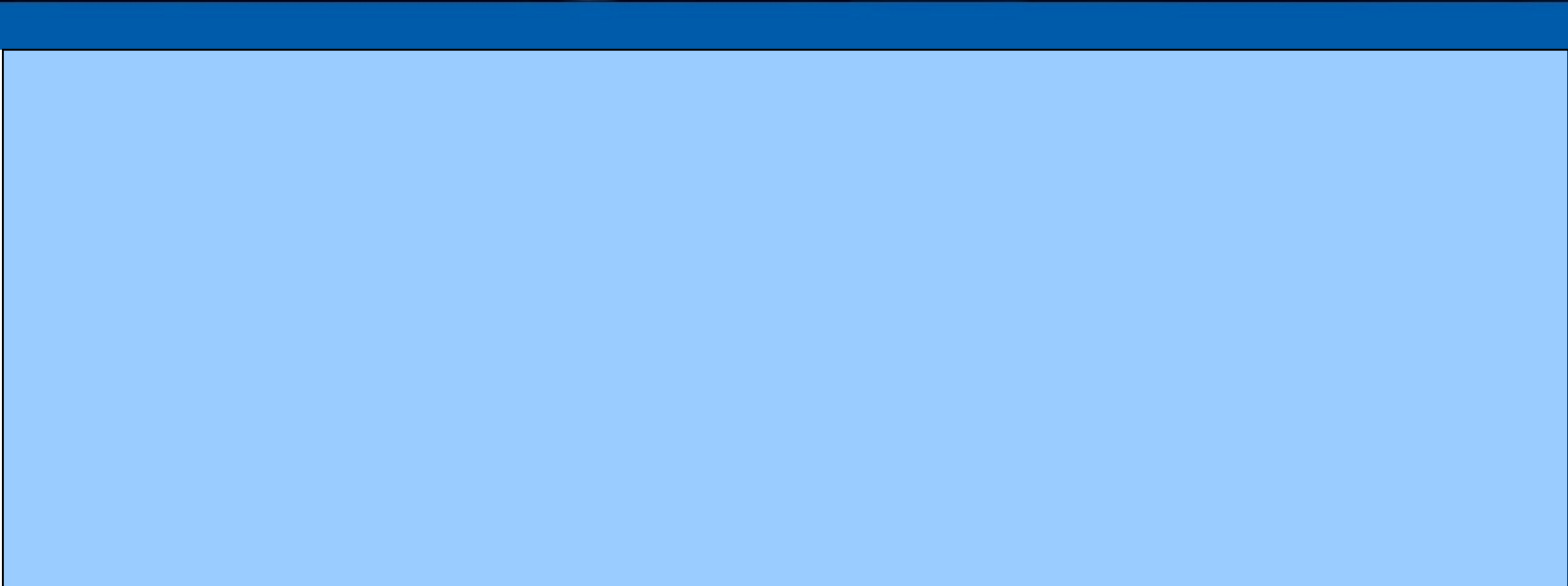
Background papers

The task group has considered a number of documents related to Supported Accommodation, which form an important part of the review and are referenced within the review document. The documents are all published works with the exception of the report from consultants HB Anorak (2010) which is exempt, as it contains commercially sensitive information.


Supported Accommodation

Prepared by a task group of the Regeneration Community and Culture
Overview and Scrutiny Committee

November 2012




Who to contact

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Supported Accommodation

1. FOREWORD

- 1.1. On behalf of the Regeneration, Community and Culture Overview and Scrutiny Committee the Task Group is pleased to present the review into supported accommodation, with its associated recommendations for the Committee and for Medway Council's Cabinet.
- 1.2. In determining the scope of the review the Task Group decided to focus on two key areas; the quality and net cost of supported housing being provided in Medway and the priorities and essential outcomes for the most vulnerable people in supported accommodation with a view to informing the future commissioning of this support.
- 1.3. For the purposes of the review, supported housing was defined as accommodation commissioned through housing related support funding from the Council (excluding sheltered but including floating support), those providers receiving enhanced housing benefit and supported housing that is needed to provide adequate accommodation to those vulnerable people that the authority has a duty to assist.
- 1.4. The timing of the review coincided with the exercise underway to re-procure housing related support services in Medway and the Task Group have worked to a timetable which will enable its recommendations, if agreed by the Cabinet, to influence the overriding principles and priorities for this process.
- 1.5. The Task Group wishes to thank officers from the Council's finance, adult social care and housing teams for the information and support they have provided.
- 1.6. As a needs analysis is currently being undertaken for the Council by the Institute of Public Care at Oxford Brookes University and consultation has recently taken place with service users and providers to evaluate future service models for housing related support the Task Group decided it could add most value by taking evidence from experts who could advise on the enhanced housing benefit regime and emerging best practice in the commissioning of housing related support. We wish to place on record our thanks to Peter Barker of HB Anorak and Lorraine Regan from Kate McAllister Consultancy who both provided an interesting and productive insight into experience elsewhere and options for future working.

Supported Accommodation

Task Group Members



**Councillor Matt
Bright
Chairman**



Councillor Adrian Gulvin



Councillor Sylvia Griffin



Councillor Glyn Griffiths



Councillor Diana Smith

2. EXECUTIVE SUMMARY

Introduction

- 2.1. At a meeting of the Regeneration, Community and Culture Overview and Scrutiny Committee held on 28 June 2012 a five Member short life Task Group was set up, following concerns raised at Audit Committee in July the previous year about projected subsidy loss on exempt accommodation (a subset of supported accommodation) and subsequent concerns raised at Business Support Overview and Scrutiny Committee in August 2011 about the quality of supported accommodation. Full details of the background to those concerns can be found in section (3) of this review.
- 2.2. Housing Related Support (HRS) in Medway covers the provision of support, advice and assistance to clients in various situations who required the provision of usually time limited and targeted support to either secure or maintain housing. Client groups include vulnerable older people, clients fleeing domestic abuse, people with a learning disability or physical disability and young people at risk. Many of these vulnerable people will not be eligible for Fair Access to Care (FACs) and so will not be able to access other forms of support from adult social care. However to avoid a deterioration in their circumstances and to help prevent homelessness or to assist with securing suitable accommodation HRS is available.

Terms of reference

- 2.3. The terms of reference for the review were as follows:-

Terms of Reference - 1

To consider the quality and net cost of supported housing* being provided in Medway and bring forward recommendations on the effectiveness of current regulations and Council policy and procedures and how these could/should be improved.

*accommodation commissioned through housing related support funding from the Council (excluding sheltered but including floating support), those providers receiving Enhanced Housing Benefit and supported housing that is needed to provide adequate accommodation to those vulnerable people that the authority has a duty to assist with accommodation.

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Terms of Reference - 2

To review housing related support provided to the most vulnerable people in supported housing and to identify the priorities and essential outcomes for these groups to inform future commissioning of housing related support.

Conduct of work

2.4. In addition to meeting with Council Officers from the Finance, Adult Social Care and Housing Teams the Task Group also met with external experts in enhanced housing benefit work and in commissioning of housing related support. This was supported by a written submission from the London Borough of Islington who were involved in a pilot of payment (to providers) by results and information received on the stance being taken with enhanced housing benefit claims by Manchester and Bristol Councils.

2.5. The Task Group's work programme is set out in full in section 5 of this report.

2.6. A Diversity Impact Assessment was not undertaken by the Task Group for this review as this will be produced at the time of reporting on re-commissioning of housing related support.

2.6. The review was supported by the following Council officers:

Mick Hayward, Chief Finance Officer
Matthew Gough, Head of Strategic Housing
Tina Barnard, Benefits Manager
Ben Gladstone, Commissioning Manager, Adults
Mark Breathwick, Medway Homechoice and Allocations Team Manager
Rosie Gunstone, Democratic Services Officer

Support was also received from:

Stephen Gaimster, Assistant Director, Housing, Development and Transport
David Quirke-Thornton, Assistant Director, Adult Social Care

Outcomes of the review

2.7. The following summarises the main findings of the review under the headings of the terms of reference (TOR):

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TOR 1 - Quality/cost of supported housing/effectiveness of regulations/enhanced housing benefit

The Task Group has explored the significant financial pressure faced by the Council as a consequence of current legislation applying to Housing Benefit payments for exempt accommodation – a sub set of supported housing. The Task Group recommends the Cabinet to lobby Medway's three MPs and the Department for Work and Pensions to tighten regulations relating to enhanced housing benefit to cap the amount which can be charged for rent by providers of exempt accommodation¹.

In terms of the quality of supported housing the Task Group accepts the Council has no legal powers to compel providers of supported accommodation to improve the condition or quality of accommodation they provide (above minimum standards required), particularly where they are dealing with people with chaotic lifestyles who would otherwise be difficult to house. However the Task Group has made a number of recommendations relating to the quality of housing related support that it hopes can be built into the current re-commissioning exercise.

As set out later in this section of the report the Task Group was encouraged by the action being taken by the Council as a consequence of the review of rent levels for Housing Benefit which was commissioned by the Chief Finance Officer. This review looked at rent levels for Housing Benefit for socially excluded single people with chaotic lifestyles and unsettled backgrounds who do not qualify for priority homelessness assistance – a large sub-group of the exempt accommodation case load. This had led to negotiations with existing providers to lower their rent levels and work to seek evidence for expenditure being used to justify higher rents via service user questionnaires and ledger evidence for expenditure to justify higher rents eg actual repair and maintenance costs, invoices for repair of white goods etc.

Given the success of these initiatives the Task Group believes the Council should explore the option of seconding additional specialist staff to the housing benefit section on an “invest to save” basis to deal with the increase in claims, and to provide a more robust case when appeals are taken to Tribunal. Whilst the Task Group accepts there is little that can be done by the Council within the current legislative framework to stem the flow of enhanced benefit claims or the expansion of providers into exempt accommodation this review has generated recommendations aimed at achieving a more robust

¹ Exempt accommodation is defined in legislation as: a resettlement place or accommodation provided by a county council, housing association, registered charity or voluntary organisation where that body or person acting on their behalf provides the claimant with care, support or supervision. 'Exempt' means exempt from the Housing Act 1996 changes that brought in the Local Reference Rent.

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system for vetting potential providers of exempt accommodation to ensure that the services they will provide are legitimate, of a high calibre and provided at a reasonable cost.

The Task Group would also support action to assist providers to 'move on' clients appropriately and to ensure that improved outcomes are achieved.

TOR 2 - Re-commissioning of housing related support

The Task Group has put forward recommendations which it hopes will help to achieve the objectives and priority outcomes of the process currently underway to re-commission housing related support in Medway. The Task Group strongly commends an outcomes based model, which provides value for money in a difficult financial climate, flexibility, higher quality more personalised services and better outcomes for clients.

The Task Group are also recommending the Regeneration, Community and Culture Overview and Scrutiny Committee to revisit the topic of supported accommodation approximately six months after the re-commissioning process has concluded in order that an assessment can be made of the impact on service users and providers and the effectiveness of the proposed arrangements.

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3. BACKGROUND

- 3.1 At a meeting of the Council's Audit Committee on 5 July 2011 concerns were raised about projected Housing Benefit subsidy loss on exempt accommodation during a discussion about an audit of Housing Benefits.
- 3.2 The Committee were informed that the Chief Finance Officer had commissioned an investigation into rent levels for Housing Benefit for single people who were receiving additional support in their accommodation – a large sub group of the exempt accommodation case load. The report of that investigation carried out by HB Anorak (consultants) recommended a sequence of actions and measures to address issues related to rent levels and quality of support being provided to service users, who were in receipt of the enhanced levels.
- 3.3 Separately, representations were subsequently made to the Business Support Overview and Scrutiny Committee on 4 August 2011, by Councillor Turpin, and an ex-offender, about the quality and cost of some accommodation for ex-offenders offered by some providers. Photographs illustrating living accommodation provided by one of Medway's providers of exempt accommodation were circulated to the Committee. (This provider is no longer operating in Medway).
- 3.4 On 20 September 2011 the Business Support Overview and Scrutiny Committee selected the topic of Supported Accommodation for an in-depth review and suggested that the scope of the review should include the provision of assistance through Housing Related Support, which had previously been delivered under the Supporting People Framework.
- 3.5. On 23 February 2012 the Council agreed a budget reduction of £2m from a total spend of £4.5 million in 2011/2012 for Housing Related Support (with required in-year savings for these services of £1.5 million) and a move to integrated commissioning arrangements for both Housing Related Support and other support and care services in 2012/13. Consultation commenced during 2012 with 30 service providers receiving funding from the Council. These providers help young people, older people, adults with disabilities, homeless people, offenders and people with drug and alcohol problems with Housing Related Support such as assistance with maintaining their tenancy.
- 3.6. At the time of agreeing a budget reduction the Council agreed it would protect sheltered housing for older people and domestic violence support services. The funding reductions involved capping the hourly rate for Housing Related Support and the number of

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hours each person receives per week and moving towards a 'basket of hours' and flexible contracts.

3.7. On 3 April 2012 the Regeneration, Community and Culture Overview and Scrutiny Committee asked to be kept informed of the impact of reductions in funding from the Supporting People scheme.

3.8. Annual spend has now been reduced to just under £2.5 million in line with the agreed reductions at full Council in February 2012. Only one service has ceased as a result of the reductions (Keyring with 10 services users) and these clients have been able to access alternative floating support. Two organisations withdrew from Medway but alternative suppliers have been found in both cases and these services continue to provide support to vulnerable young people.

3.9. This Task Group was set up to undertake the Supported Accommodation Review at a meeting of Regeneration, Community and Culture Overview and Scrutiny Committee on 28 June 2012.

1. Definition of supported accommodation

Housing Related Support (HRS) in Medway covers the provision of support, advice and assistance to clients in various situations who require the provision of usually time limited and targeted support to either secure or maintain housing. Client groups include vulnerable older people, clients fleeing domestic abuse, people with a learning disability or physical disability and young people at risk. Many of these vulnerable people will not be eligible for Fair Access to Care (FACs) and so will not be able to access other forms of support from adult social care. However to avoid a deterioration in their circumstances and to help prevent homelessness or to assist with securing suitable accommodation HRS is available.

2. Definition of enhanced housing benefit

To be eligible to be treated as a tenant in exempt accommodation¹ for housing benefit purposes, the tenant must be in receipt of more than minimal support and actively engaging in such. However, any support not related to the provision of accommodation is not eligible for housing benefit (HB) – this means that although it is implicit that support is provided HB cannot cover the cost of such.

¹ Exempt accommodation is defined in legislation as: a resettlement place or accommodation provided by a county council, housing association, registered charity or voluntary organisation where that body or person acting on their behalf provides the claimant with care, support or supervision. 'Exempt' means exempt from the Housing Act 1996 changes that brought in the Local Reference Rent.

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3. Definition of exempt provider

To qualify as a provider of exempt accommodation **for housing benefit purposes** a provider must be able to demonstrate that they are a voluntary organisation and will operate as a not for profit organisation/charity and be able to provide more than 'minimal support.

The review did not look into the needs of older people (ie those in sheltered housing) or those fleeing domestic violence on the grounds that the Council had agreed to protect these groups. The list of clients included in the review is contained in section 4.

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4. SETTING THE CONTEXT

4.1. (a) Medway's policy framework

4.1.1. Housing Related Support

4.1.2. Medway Council's Supporting People Strategy 2010-2013 was agreed in January 2009 and set out the vision and direction for services and support for vulnerable people over that period.

4.1.3. However, following the ending of the ring fence for Supporting People in April 2009 and the need to reduce funding allocated to Housing Related Support, Medway took the decision at full Council in February 2012 to end its programme and align the commissioning of Housing Related Support with other forms of support and care. Housing Related Support is distinct from social care and housing or property management and is designed to ensure that a person is supported to maintain a tenancy and/or secure the housing tenancy of their choice. The services are preventative and thereby minimise the risk of service users entering crisis or emergency support.

4.1.4. In 2009 there was a total of 96 services being provided under contract by 34 providers. Thirteen services were provided directly by Medway Council and the remainder by organisations from the independent sector. Following funding reductions in 2012/2013, there are now 26 provider organisations delivering 66 service contracts. The reduction in both providers and service contracts is a result of merging of contracts in July 2012 and the movement to combining Housing Related Support and social care packages of support for those eligible for social care. Further details can be found in paragraph 4.3.1.

Housing Benefit

The local authority is required to administer Housing Benefit on behalf of the Department for Work and Pensions. Housing Benefit is assessed in accordance with legislation and regulation set by central government.

4.2. (b) National and local picture

The national picture in relation to enhanced housing benefit

4.2.1. There are three central pillars to Housing Benefit (HB)¹:

¹ Research report – Exempt and supported accommodation – Department of Work and Pensions

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- The means-test (looking at income and capital)
- Determining the claimant has a liability (looking at how much someone is required to pay in rent).
- Occupancy (making sure that the claimant is actually living in the home)

Local Authorities (LAs) are responsible for assessing and paying claims for HB but can reclaim a large proportion of the costs of HB payments from the Department for Work and Pensions (DWP) through subsidy. Since 2008 new claims for HB have been treated under the Local Housing Allowance (LHA) rules, which broadly means the amount of eligible rent which may be used in the assessment of HB is a flat rate dependant on the number of rooms a household is deemed to require.

The exception to LHA is for HB claims made, or treated as made prior to 2 January 1996 when the assessment of HB for deregulated tenancies changed with the introduction of the maximum rent, along with a maximum 50 per cent top up. This top up was abandoned (but not for existing claimants) on 6 October 1997.

The maximum rent was then the lower of the following Rent Officer Determinations:

- The property specific rent (now known as claim related rent)
- The local reference rent (which looks at the market rate for appropriately sized accommodation in the area)
- The single room rent where applicable (this applies to most single people under the age of 25, and is intended to cover the cost of living in shared accommodation)

4.2.2. When the new scheme rules were introduced in 1996, the Social Security Advisory Committee (SSAC) was unhappy about their potential impact on the provision of supported accommodation. The SSAC was concerned that the local reference rent would have been used to restrict the rent of social and voluntary supported accommodation making it unviable. As such regulations allowed for *'exempt accommodation' to enable HB to continue to meet the needs for this type of accommodation.

*'Exempt accommodation', is defined in legislation as:

- a resettlement place or
- accommodation provided by a county council, housing association, registered charity or voluntary organisation where that body or person acting on their behalf provides the claimant with care, support or supervision.

"exempt" means exempt from the 1996 changes that brought in the Local Reference Rent.

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4.2.3. Various Commissioner and Upper Tribunal decisions have helped to clarify how the law is being interpreted in these cases. Whether a claim is treated as an 'exempt accommodation' claim and how much the maximum rent should be, is determined to varying extents by:

- The landlord and type of service they provide
- The claimant and their needs, eg are they a vulnerable individual?

4.2.4. 'Exempt accommodation' claimants may fall into one or more of the following categories:

- Ex-offenders
- Frail elderly
- Homeless families and older people with support needs
- People with drug/alcohol related problems
- People with HIV/AIDS
- People with learning difficulties
- People with mental health problems
- People with physical difficulties
- Refugees
- Rough sleepers
- Single homeless people
- Travellers
- Women at risk of domestic violence
- Young people at risk or leaving care
- Under 18s pregnant or who have children.

4.2.5. Rent can be restricted to the rent level of suitable alternative accommodation in the area. For vulnerable tenants this accommodation must be available. The classification of a 'vulnerable' person in the context of making payments of enhanced housing benefit differs from adult social care. HB legislation prescribes that a relevant landlord must provide more than minimal support. However, the type of claimant entitled is described in 4.2.4. As such they do not have to be assessed, or eligible, for services under Fair Access to Care and in fact the majority of those who receive enhanced HB from a private provider do not come under the umbrella of social care and there is no requirement for them to do so.

4.2.6. Once a claim is accepted as an 'exempt accommodation' claim rent increases may be higher than for mainstream accommodation. The Local Authority (LA) can restrict the level of increase to the level of increases for similar accommodation in the area if it can identify similar accommodation.

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4.2.7. Where a Local Authority pays above the Rent Officer Determination (ROD) level for an 'exempt accommodation' claim and the tenant is treated as 'vulnerable', the Local Authority only receives 60% of this extra expenditure back from the Department for Work and Pensions in subsidy – the remaining 40% must be funded by the Local Authority. Where the tenant is not in a vulnerable group no subsidy is paid on expenditure above the ROD.

4.2.8. Expenditure on 'exempt accommodation' claims has increased substantially in some Local Authorities over recent years. Where there is a lack of suitable alternative accommodation that the claimant could move to (or where it is not considered reasonable for the claimant to move because of their vulnerability) there is no effective cap on the claimant's rent. It was evidenced in the Department for Work and Pensions review into exempt accommodation that the system is open to exploitation, particularly where profit making organisations use a charitable vehicle to gain exempt status and established groups look to maximise entitlement to benefit.

4.3. The Medway picture re enhanced housing benefit

4.3.1. The following table summarises the current providers of exempt accommodation in the private sector in Medway:

Provider	Summary	Average Max HB payable	Number of tenants
Abbeyfield Society	Elderly Sheltered Housing	£128.07	2
AMAT	Homeless/Chaotic Lifestyle	£171.98	340
Emmaus Community	Homeless/Chaotic Lifestyle	£145.45	7
HOPE	Ex Offenders	£171.14* have applied for further increase & under review	13
KASBAH	Spina Bifida	£129.90	3
Kent Autistic Trust	Autism, Severe Learning	£198.38	11
MCCH	Mental Health	£175.17	33
Medway Cyrenians	Homeless in need of support	£164.92	28
MHS – Endeavour Foyer/ Springboard Foyer/ Great Paul House	Homeless in need of support	£98.58	27
Reside Housing Association	Adults with learning difficulties	£283.74* under review	11

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Provider	Summary	Average Max HB payable	Number of tenants
Shaftesbury Homes	Young Vulnerable Adults	£177.46	18
Foord Almshouses	Elderly Support	£79.75	34
The French Hospital	Elderly Support	£95.46	20

4.3.2. Past and projected subsidy position in regard to Housing Benefit is shown as follows:

Subsidy	Definition	Ongoing 2012/13 Expenditure		2011/12 Expenditure	
		Expenditure	Subsidy Claimed	Expenditure	Subsidy Claimed
100%	Referrals - Less than Assessment	2,539,072	2,539,072	2,330,681	2,330,681
60%	Referrals - Regulation 11/12	1,492,846	895,707	1,385,450	831,270
0%	Referrals - Above Market Rent	1,313,311		1,085,146	
Total		2,806,157		2,470,596	
Subsidy loss		1,910,450		1,639,326	
<i>(Overall Rent Allowance expenditure)</i>		<i>94,651,336</i>		<i>91,988,615</i>	

4.3.3. Since the review of rent levels for housing benefit for socially excluded single people undertaken for the Council by a consultant (HB Anorak) in 2010, a number of rents have been challenged and agreement reached in most cases, with a number still being outstanding.

Analysis of movement in the context of the private sector

4.3.4. In considering the cases for claimants who have moved from out of the area it has to be acknowledged that Medway is a natural hub with good transport links and relatively cheap accommodation in contrast to other parts of Kent and London.

4.3.5. Analysis of tenants who have moved into AMAT accommodation shows that 40% originated from outside of the area. Similar analysis was undertaken in respect of the newest claims received in the private sector general needs housing and this showed that around 57% had recently moved to Medway from outside of the area – very few had any prior connection with Medway. Only 8% of those sampled were in work.

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4.4. The national picture in relation to quality of Housing Related Support

- 4.4.1. The Supporting People programme was launched in April 2003. It was a UK government programme helping vulnerable people in England to live.
- 4.4.2. Since April 2009 there is no longer an identifiable funding stream for Supporting People as it is now included in the Formula Grant.
- 4.4.3. £6.5 billion was allocated to Supporting People under the Spending Review.

The table below shows the contributions that Supporting People will make to Formula Grant in Medway.

2010/11 Baseline	2011/12	2012/13	2013/14	2014/15
£1.636m	£1.626m	£1.620m	£1.620m	£1.590m

The average annual percentage cash reductions to the Supporting People programme are as set out in the following table:

2010/11 Baseline	2011/12	2012/13	2013/14	2014/15
£1.636m	0.67%	0.31%	0	1.84%

This equates to an average annual reduction of less than 1% in cash terms over the next four years².

4.5. The Medway picture re quality of Housing Related Support (formerly included as part of the Supporting People Programme)

- 4.5.1. Housing Related Support (HRS) in Medway covers the provision of support, advice and assistance to clients in various situations who require the provision of usually time limited and targeted support to either secure or maintain housing. Client groups include vulnerable older people, clients fleeing domestic abuse, people with a learning disability or physical disability and young people at risk. Many of these vulnerable people will not be eligible for Fair Access to Care (FAC's) and so will not be able to access other forms of support from Adult Social Care. However, HRS is available to avoid a deterioration in their circumstances and to help prevent homelessness or to assist with securing suitable accommodation.

The Task Group did not consider the provision of sheltered accommodation or provision for those fleeing domestic abuse.

² Department for Communities and Local Government finance settlement 2011/12

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Financial Context

- 4.5.2. The Council has approved a budget for Housing Related Support of £2.5 million for 2012/13, a reduction of £2 million from spend in 2011/12. The Supporting People programme as a 'brand' has also been discontinued from 1 April 2012, but generally covered the services included in Housing Related Support.

Short Term Review of Services

- 4.5.3. The decision to reduce the budget in Housing Related Support was made having regard to work undertaken nationally, and reflected locally that found that levels of support, its duration and the cost of that support was higher than could reasonably be expected. It was proposed that it would be possible to review the duration and level of support and where appropriate introduce caps. As a result of this approach, it was anticipated that no services would have to close, although most had to deal with varying levels of funding reductions.

- 4.5.4. The work also found:
- that demand outstripped supply,
 - many service users were not receiving their contracted hours of support.
 - examples where floating support was being delivered via phone calls and library surgeries and of very short visits
 - where accommodation-based services were provided many service users were out in the community during the day so did not require the staffing hours currently in place.
 - there remained a lack of 'move on' accommodation for some client groups, so existing services were 'silted up'.
 - services were also being duplicated. For example floating support was being provided into drug and alcohol and domestic violence services.

- 4.5.5. In addition to which some specifications were out of date and did not reflect good practice, focus on the outcomes of the services, or incentivise providers to improve services for clients.

- 4.5.6. In order to progress the changes that were required and deliver the required savings, in the short term in consultation with clients and providers, contracts have been amended and extended.

Future Commissioning of Services

- 4.5.7. As part of the process of future commissioning it was accepted that the current range of contracts and services could be enhanced and improved further to ensure that services deliver assistance and

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support that is focused on clients becoming more independent and improving their own skills.

- 4.5.8. Current contracts come to an end on the 31 March 2013, and to ensure continuity of service, work has started on the re-procurement of services. The focus of the work of this Task Group has been to assist in developing the priorities and essential outcomes for Housing Related Support in the future.

Scope of Services

- 4.5.9. Clients experiencing difficulties in maintaining a tenancy, threatened with homelessness or who are already homeless and those requiring assistance accessing suitable affordable housing are able to approach the Council for assistance.
- 4.5.10. In many instances these clients will require limited advice or assistance and will be able to either maintain or secure suitable accommodation. However, other clients will be unable, if unassisted to either maintain or secure suitable accommodation. To support these clients the Council provides assistance through a range of services to prevent homelessness, and assist client's secure suitable housing. This includes short-term accommodation-based services and floating support services.
- 4.5.11. The re-commissioning of services provides an opportunity to review the focus of services to ensure that they:-
- deliver value for money and improved outcomes for both individual clients and Medway.
 - help prevent homelessness wherever possible and will provide support that seeks to minimise the time people spend being homeless.
 - ensure people are equipped to sustain independent living and avoid repeat episodes of homelessness.
- 4.5.12. The key challenge will be to meet future demand for these services within the resources that are available. Changes to welfare benefits and a limited supply of affordable homes are likely to increase the need for help to prevent homelessness and assist clients. The Task Group will look at the element of unmet demand and its implications at the point at which the matter is reviewed by the Regeneration, Community and Culture Overview and Scrutiny Committee in July 2013.
- 4.5.13. This will mean that services will have to be provided more efficiently, developing different ways of supporting people to achieve independence. Services will need to be targeted at those in greatest need and provide the minimum level of support necessary to meet individuals' needs. Clients in supported accommodation will

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need to be supported to move on to general needs accommodation more quickly and to develop the skills to sustain their tenancies when they do move.

- 4.5.14. In achieving this it is accepted that the supply of affordable housing is limited, there will therefore need to be acceptance that all those households needing assistance will not be able to be accommodated within affordable housing. There are currently more than 15,000 households registered with the Council seeking affordable housing, whilst on average fewer than 800 homes are available for allocation each year. This means that in common with most Council's there is an increasing reliance upon accommodation in the private rented sector to help meet housing need.
- 4.5.15. There is affordable housing that is available, and some of this has been designed and built for specific groups of clients with specific needs and the re-commissioning of services should seek to use this appropriately. However, for many clients there is accommodation available in the private sector, and with an appropriate level of support this accommodation would offer suitable and affordable housing.
- 4.5.16. The Task Group has been keen to ensure that, as a result of reduced funding, vulnerable groups of people in Medway were not 'slipping through the net'. At this stage it has not proved possible to assess the situation but it will be reviewed in July 2013 as part of the review of the recommendations at Regeneration, Community and Culture Overview and Scrutiny Committee.

Overview of Current Services

- 4.5.17. The services covered are set out below along with details of the number of clients assisted or units of accommodation currently available.

Client/Service Type	Units
Homeless Hostel	93
Learning Disability	68
Mental Health	34
Offenders	61
Physical Disabilities	40
Domestic Abuse Refuge	14
Domestic Abuse – Floating Support	40
Substance Misuse	15
Young People	114
Floating Support	566

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Housing Related Support Needs

- 4.5.18 Generally, 'Housing Related Support' is support that develops or sustains an individual's capacity to live independently in the community. It is intended to be preventative and enabling. It is aimed at providing support to an individual who might remain in or be admitted to institutional care, or become homeless or suffer loss of accommodation if support were not provided.
- 4.5.19. Housing Related Support services include practical support tasks that enable vulnerable people to live as independently as possible in the community. Housing Related Support services are those provided over and above basic housing management services but do not include personal care services.

Referral and Assessment Process

- 4.5.20. Referral and access to services is generally facilitated through the Supported Housing Gateway, which is an IT system, administered by the Strategic Housing Service matching clients with the available accommodation. It acts as a single point of access to a range of housing-related support services including accommodation based homelessness, drugs and alcohol services, and floating support.

The providers are generally contracted to take all of their clients from the Gateway, with referrals being made by the Council's own housing services along with provider agencies which assess clients for eligibility and suitability.

Each service on the Gateway has its own waiting list, which is ordered by priority status and date of application. Providers are expected to allocate their vacancies on the basis of the client's place on the waiting list.

Types of Provision

- 4.5.21. Current provision is generally divided into 2 main types, accommodation based and floating support.

Accommodation Based – Providers of the support are required to provide accommodation as part of the contract, this may be accommodation which they own, lease or manage and for which they seek referrals as and when spaces are available in that accommodation. The accommodation may have been built or designed or adapted for a particular client group, with clients receiving specialist support and advice. Specialist services would include refuges, hostels, offender or substance misuse.

Floating Support – Clients would generally already be in accommodation or may be provided with assistance to secure that

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accommodation as part of the service, which could be for clients experiencing domestic abuse or clients with a need for lower level or more generic support needs.

Costs of current services

Accommodation Based	£1,516,404
Floating Support	£539,977
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Budget within Remit of Task Group	£2,056,381
Home Improvement Agency	£34,901
Alarm Service	£81,847
Sheltered Housing	£303,240
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Areas not part of Task Group	£419,988
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Total Housing Related Support Budget	£2,476,371

- 4.5.22. By way of background the Home Improvement Agency offers assistance to households to undertake adaptations to their homes usually through a Disabled Facilities Grant, whilst the alarm service is provided with a subsidy to provide alarm systems within older person's accommodation. These areas are not part of the review.

Needs Analysis

- 4.5.23. The Council has commissioned the Institute of Public Care, which is part of the Oxford Brookes University to undertake the local needs analysis. The Institute is widely regarded as a leader in the assessment of need and future modelling of supported housing and care, and acts as an advisor to national and local government. Work has started on engaging with stakeholders and the gathering of data as part of the needs analysis. This work is due to be completed by the 21 December 2012 and will inform the future delivery of services.

The purpose of the work being to:-

- help estimate the current and future needs of a population
- indicate the geographical distribution of need
- identify those people who are at greatest risk of needing community services
- help identify the gap between met and unmet need, and so inform commissioning

CHALLENGES

- 4.5.24. To ensure the efficient, effective and equitable provision and delivery of services consideration needs to be given to the following options to improve the standard of supported accommodation services provided through Housing Related Support.

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Eligibility for Services

- 4.5.25. In order to ensure that assistance is effectively targeted; consideration needs to be given to the development of eligibility criteria for the services to be provided. This would define whom the Council would consider as vulnerable, how need was assessed, should local connection be considered and how the Council could ensure clients were eligible and the assistance given sustainable. An approach widely adopted would be to reflect the eligibility criteria used to assess those who would go on to be eligible for assistance either in line with the Council's homeless duties or those who would be eligible to register with the Council for housing.

Meeting increased demand with reduced budget

- 4.5.26. The current economic climate and financial restraints mean that Medway Council wishes to ensure the effective use of its resources. As discussed previously the overall budget for the provision of Housing Related Support has reduced. For the current financial year the required savings have been achieved.

At the same time, demand for services is increasing. This is partly as a result of the economic downturn but also because of welfare benefit reform and wider changes within society.

In this environment it is more important than ever to maximise the effectiveness of services in preventing homelessness and avoiding recurring homelessness. This will be extremely challenging for both providers and the Council.

Welfare reforms

- 4.5.27. Changes to welfare benefits will continue to impact on services and individuals. Many people who are not in work (including people on incapacity benefit and employment support allowance) or on low or insecure incomes are likely to see a reduction in the benefits they receive. In addition many services rely on funding generated from benefits. In particular, housing benefit plays an important role in underpinning the funding of supported accommodation.

5. METHODOLOGY AND APPROACH

- 5.1. The Task Group met on 13 August 2012 to scope this review and agreed the following terms of reference:

(1) To consider the quality and net cost of supported housing* being provided in Medway and bring forward recommendations on the effectiveness of current regulations and Council policy and procedures and how these could/should be improved.

*(accommodation commissioned through Housing Related Support funding from the Council (excluding sheltered but including floating support), those providers receiving Enhanced Housing Benefit and supported housing that is needed to provide adequate accommodation to those vulnerable people that the authority has a duty to assist with accommodation)

(2) To review Housing Related Support provided to the most vulnerable people in supported housing and to identify the priorities and essential outcomes for these groups to inform future commissioning of Housing Related Support.

- 5.2. The Task Group were informed by officers that demand for exempt accommodation was increasing and the Council was unable to claim subsidy on some of this type of accommodation, which was causing a revenue problem for the Council of around £1.6 million. Members were keen to assess what could be done to address this situation.
- 5.3. In relation to the physical quality of supported housing they were told that the minimum condition for such property was very basic and that any requests to improve condition would incur additional cost to the Council. Members felt that quality should flow from commissioning and it would be important for the Task Group to aim to bring about improved outcomes for people while achieving value for money and best practice within a reduced budget area.
- 5.4. At the second meeting of the Task Group held on 1 October 2012 agreement was given to the review following key lines of enquiry under the two separate areas of the terms of reference as follows:

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Terms of reference (1) agreed Key Lines of enquiry:

- To take evidence from Peter Barker, HB Anorak Consultants to discuss the national picture in relation to the outcome of Tribunals and what options he thinks might be worth pursuing in terms of an invest to save approach
- To consider making representations to the government on changes to the law

Terms of reference (2) agreed Key Lines of enquiry:

- To look at timely and effective move-on for clients and a pathway approach to Housing Related Support
- To look at the potential changes to an outcome service model
- To identify the current level of unmet need
- To assess implications of change to a new model
- To take account of the Institute of Public Care needs analysis (from Oxford Brookes University)
- To assess the implications of resource allocation on unmet need
- To obtain further details of the pilot scheme in Islington developed in partnership with One Housing Group, the Single Homelessness Project and Penrose, which provides social inclusion and rehabilitation services to people with mental health and alcohol and substance abuse problems.

The following general conclusion was reached in respect of terms of reference (2) following an evidence session on 13 August 2012:

Discussion took place about the quality of some of the exempt accommodation provided and the fact that there appeared to be little the Council could do to improve this situation. The point was made that the physical environment of the properties could have a detrimental effect on residents and not help their progress/wellbeing. It was stated, however, that minimum standards were in place and that a large responsibility was placed on the tenants themselves to clean properties and keep them in an acceptable condition. The Council was not in a position to change this.

The Task Group decided that no visits were necessary as part of the review and that it was important to keep the focus strategic.

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5.5. The approach, methodology and programme for the review is set out below:

Date	Members in attendance	Other attendees	Purpose
13 August 2012	Councillors Bright, Griffin, Griffiths, Adrian Gulvin and Smith	Mick Hayward, Chief Finance Officer Stephen Gaimster, AD Housing, Development and Transport David Quirke-Thornton, AD Adult Social Care Matthew Gough, Head of Strategic Housing Tina Barnard, Benefits Manager Rosie Gunstone, Democratic Services Officer	Initial briefing of Members on the subject matter and to agree the terms of reference for the review.
1 October 2012	Councillors Bright, Griffin, Griffiths, Adrian Gulvin and Smith	Mick Hayward, Chief Finance Officer Stephen Gaimster, AD Housing, Development and Transport Matthew Gough, Head of Strategic Housing Tina Barnard, Benefits Manager Mark Breathwick, Medway Homechoice and Allocations Team Manager Rosie Gunstone, Democratic Services Officer	To agree the key lines of enquiry for the review

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Date	Members in attendance	Other attendees	Purpose
17 October 2012	Councillors Bright, Griffin and Smith	Mick Hayward, Chief Finance Officer, Tina Barnard, Benefits Manager Matthew Gough, Head of Strategic Housing Ben Gladstone, Commissioning Manager, Adults Rosie Gunstone, Democratic Services Officer Peter Barker, Consultant from HB Anorak	To take evidence from Peter Barker, Consultant from HB Anorak in relation to enhanced housing benefit matters.
5 November 2012	Councillors Bright, Griffin, Griffiths, Adrian Gulvin and Smith	Mick Hayward, Chief Finance Officer Tina Barnard, Benefits Manager Matthew Gough, Head of Strategic Housing Mark Breathwick, Medway Homechoice and Allocations Team Manager Rosie Gunstone, Democratic Services Officer Lorraine Regan, Consultant from Kate McAllister Consultancy (apologies from Ben Gladstone, Commissioning Manager, Adults)	To take evidence from Lorraine Regan, Consultant in relation to the commissioning of Housing Related Support
20 November 2012	Councillors Bright, Griffin, Griffiths and Adrian Gulvin	Mick Hayward, Chief Finance Officer Stephen Gaimster, AD Housing, Development and Transport Tina Barnard, Benefits Manager Matthew Gough, Head of Strategic Housing Ben Gladstone,	To agree draft recommendations and share with the relevant Cabinet Members (Councillor Doe sent his apologies)

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Date	Members in attendance	Other attendees	Purpose
		<p>Commissioning Manager, Adults Rosie Gunstone, Democratic Services Officer Councillor David Brake, Portfolio Holder Adult Social Care</p> <p>(Note: Councillor Doe, the Portfolio Holder for Housing and Community Services was unable to attend this meeting but was invited to comment separately)</p>	

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6. SUMMARY OF EVIDENCE COLLECTED

6.1. Terms of reference 1

Quality/cost of supported housing/effectiveness of current regulations/enhanced housing benefit

- 6.1.1. In the light of the initial concerns raised at the Business Support Overview and Scrutiny Committee relating to the standard of accommodation in one of the providers of exempt accommodation in Medway, the Task Group asked initial questions of the Head of Strategic Housing as to what could be done to address this. The Task Group reviewed photographs provided to the Business Support Overview and Scrutiny Committee by an ex-offender relating to his stay in the accommodation. The Task Group was advised that the provider in question was not a Housing Association, had not been commissioned to provide accommodation under the Supporting People regime and was no longer operating in Medway.
- 6.1.2. The Task Group were informed, at the meeting held on 13 August 2012, of the contractual position relating to the general standard of supported accommodation. The law only requires very basic standards and anything above this standard would have to be provided at additional cost to the Council. There was also an onus on the tenants to keep the property clean and in an acceptable condition.
- 6.1.3. The Task Group were informed that in most cases the provider would be able to demonstrate that the property in question has been cleaned. However if there were several people, with chaotic lifestyles, sharing a kitchen, it may not take long before the property becomes untidy/unclean and if no-one takes responsibility or is prepared to deal with it there is often a self-perpetuating situation. However, there were minimum standards and properties were expected to meet these and if properties were found not to meet these standards appropriate action would be taken which could include enforcement or work in default to ensure those standards were maintained.
- 6.1.4. Clarification was given that in the case of clients eligible under Fair Access to Care criteria and who are incapable of cleaning up for themselves, that this cost would be covered and cleaning arranged as part of their care.
- 6.1.5. The Chief Finance Officer also confirmed that, as part of a recent review, checks had been made with residents of exempt accommodation to ensure that cleaning was carried out and they did acknowledge that cleaning is being provided.

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- 6.1.6. The Task Group concluded that quality should flow from commissioning and that in relation to the condition/cleanliness of exempt accommodation that in the main this was the responsibility of the individual tenants and there was little more that could be done by the Council in the current economic climate to pay for any additional cleaning required.
- 6.1.7. It was also agreed that in relation to the cost issues raised these had been covered in the HB Anorak (consultants) review and were being dealt with as an ongoing process of negotiations with providers and potential providers.
- 6.1.8. During the evidence gathering on 17 October 2012 the Task Group noted the background to the proposed changes in relation to enhanced housing benefit and in particular the following key points:
- With effect from October next year the benefits system would be changing with the introduction of Universal Credit. Those people currently eligible for exempt accommodation would be unaffected by the changes. The consultant, Peter Barker, stated that the current exempt accommodation regime had generated great interest from organisations wanting to get into what was seen as a lucrative market.
 - There are 3 prescribed categories of vulnerability for which the subsidy loss is less serious – people over 60; people with children (not many in this category) and the largest group were those on sickness benefits. There is a low threshold for enhanced housing benefit, the claimant just has to be in need of more than minimal support and the support does not have to be commissioned.
 - From a provider perspective the landlord has to demonstrate that they are a not-for-profit organisation/registered charity and demonstrate that they are providing more than minimal support (although some form of personal support is required to satisfy the criteria for enhanced housing benefit any such amount attributed to the provision of this support is deducted from the housing benefit which may only cover accommodation related costs).
 - Some of the services contained in the classification of minimal support could be simply making sure that people are taking medication, reminding them about going to appointments with professional organisations, helping to prepare to move on to other rented accommodation, and enabling people to budget properly plus daily welfare checks etc (tribunal judges have determined these sort of services qualify to be eligible as being more than 'minimal support').

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- The financial burden on the Council is increasing as more providers apply to be treated as eligible for enhanced housing benefit. At least six enquiries have been made from potential providers within the past six months.
- Where the benefit is paid at this higher rate the Department for Work and Pensions will only reimburse the authority at a reduced rate and a loss of 40% or 100% of the excess amount occurred, dependent on the individual's circumstances. The normal housing benefit payable is £62.50-£65 a week and the enhanced benefit could be around £150. This generates a revenue pressure of around £1.6m for the Council.
- A review/consultation has been undertaken by the Department for Work and Pensions relating to exempt accommodation¹ It was originally thought that, as a result of the findings of that review, there would be a restriction on the amount of rent that could be claimed under housing benefit but no outcome has yet been decided. The Government has announced that exempt accommodation will not transfer to the new Universal Credit but remain with the local authorities 'in the short term'. This is reflective of the complexity of dealing with providers and tenants of this type of accommodation.

Recommendation 1: That the Cabinet is recommended to request the Chief Finance Officer to write to Lord Freud, Minister for Welfare Reform at the Department of Work and Pensions, and to the three Medway Members of Parliament requesting that they also put pressure on Lord Freud, to

- (a) **tighten up the regulations about exempt accommodation in view of the increasing financial burden being placed on local authorities, which is brought about by the lack of a cap on the amount which could be charged by providers or which may be paid in terms of housing benefit. This is in some part due to the lack of supporting legislation enabling adequate restrictions to be applied in respect of enhanced housing benefit; and**
- (b) **address the inequality and burden placed on this Council by the increasing migration of people into Medway, eligible for enhanced housing benefit, for whom the Council may only claim part subsidy applied in respect of enhanced housing benefit.**

- If the supported provider is a registered provider (that is a social landlord/housing association) the Council receives full reimbursement for the housing benefit paid and there is no subsidy loss. However, within Medway the largest providers of

¹ Research report – 'Exempt' and supported accommodation by Department for Work and Pensions 2010

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supported accommodation are not registered/social landlords and there is a loss of subsidy payable to the authority for housing benefit paid.

- There is evidence that some registered landlords (e.g. Housing Associations) have increased their rents to compensate for the loss to their income following the restructure of funding, which was previously paid through the Supporting People grants. Some landlords have transferred the costs previously funded from Supporting People funding into intensive housing management/additional housing support for tenants. As previously stated, the Council could receive 100% subsidy on the housing benefit paid. However, housing benefit is only payable for accommodation related costs and it has been necessary to challenge the landlords as to the actual costs included as some landlords have attempted to transfer all costs to housing benefit. The Council has challenged such increases with a view to protecting public funds and also to ensure that a consistent approach is taken regardless of whether the authority would lose subsidy. This approach should ensure that any challenge could be upheld regardless of the subsidy, which the authority may or may not receive.
- The expert consultant from HB Anorak advised that in his opinion if the level of rent payable by the housing benefit section is appealed the tribunal does not consider whether the landlord is being treated fairly in terms of any subsidy loss experienced by the authority but decides if the actual decision taken by the Council in regards to the rent setting was the right one. However, there is a risk that Department of Work and Pensions auditors may question a Council, which does not challenge excessive rent being charged by a provider. The consultant's view was that it was not appropriate to treat non-registered landlords differently from registered landlords.
- The consultant highlighted two extreme stances on enhanced housing benefit across England. In Manchester a robust, controversial and potentially challengeable position has been taken which involves holding back payments of enhanced housing benefit, which seems to have had support at Tribunal level. In Bristol the authority has employed five of their most experienced housing benefit officers to challenge and consider the rent levels from supported accommodation providers. Bristol has seen an increase in landlords employing consultants to advise on ways to attempt to maximise payments from housing benefit. The same consultants, who are seen as being extremely tenacious in their dealings, have also advised some landlords within Medway.

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- The expert consultant's view was that the stance taken by Medway Council in dealing with its claims was probably about right. In his view the Council takes the middle line of making providers justify their status to ensure they are eligible for providing exempt accommodation, challenging rents, which appear high and reaching agreements on them. The impact on the Benefits Manager of dealing with this work was highlighted by the Chief Finance Officer as being particularly resource intensive and requiring specialist knowledge and decision making which take her away from her main role, which involves responsibility for ongoing monitoring of work undertaken by the assessment team following their move to the customer contact team. The current structure relies on her placement within the specialist team, with responsibility for the quality assurance of the benefit assessments and the work of the benefit appeals team, together with development of the software system used for the assessment of benefit. This is particularly important given the ongoing changes in relation to Council Tax Support and Welfare Reform.
- The expert consultant felt that there was merit in the Council taking an 'invest to save' approach to enhanced housing benefit assessments. He recommended seconding additional specialist support into the benefits section to increase capacity to negotiate with providers, which would save money. This would also create the opportunity to invest more time in defence of cases going to a Tribunal.
- The benefits section at Medway has not taken any cases to First Tier Tribunal as rents have been negotiated before submitting the case to Tribunal by reconsideration of the cases – relying on the Tribunal process is the last resort and cases only proceed when the Council is satisfied that it has considered all options and that a legislatively fair and sound case has been made in regards to the restriction of the rent figure. Case law is available for cases that have been heard by the Upper Tribunal however it is worth noting that cases which have been overturned at this stage were frequently done on the basis that the Councils in question did not have evidence to show that a thorough examination of all aspects of the case were considered at the appropriate time.

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Recommendation 2: That the Cabinet be recommended to request the Chief Finance Officer submit a business case for seconding additional, specialist, support into the Benefits Team in order to increase the capacity for dealing with complex negotiations with exempt accommodation providers. This would be on the basis of an 'invest to save' proposal as it would release the Benefits Manager to continue in her existing role within the specialist service, with responsibility for the quality assurance of the benefits caseload together with work in respect of liaison and forward planning in respect of Welfare. This would enable the Council to maintain its stance in challenging high rents, negotiating lower rents and provide for a robust case in the event of a challenge at Tribunal stage.

- It was established that the best providers of exempt accommodation had a clear 'move on' programme. One in Medway for example had a 'four steps from being on the street to achieving independence' pathway working with housing associations/private landlords etc. One of the current problems is that there is little incentive for a landlord to move a client on and establish a clear pathway.
- Some officers from other councils within Kent had commented that Medway derived benefit from the range of providers active in the area, as some providers were willing to take people with chaotic lifestyles that no other provider would. The Task Group accepted that in areas without a mix of provision of supported accommodation there is a higher risk of more vulnerable service users falling through the net and being exposed to a higher likelihood of criminal behaviour.

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Recommendation 3: To recommend the Cabinet to support the following proposals in relation to enhanced housing benefit and instruct the Chief Finance Officer as follows:

- 3.1. As part of the negotiations with exempt accommodation providers the Council should set out its expectations relating to outcomes and promote a clear 'move on' pathway/outcomes star programme (or equivalent pathway) with regular monitoring updates to enable the Council to track the outcomes for people in exempt accommodation.**
- 3.2. An enquiry tick box questionnaire should be developed for potential providers of exempt accommodation asking the following:**
- **Questions about the eligibility of the landlord to provide the relevant support**
 - **Questions about the premises – does the landlord own the freehold for example?**
 - **Information about staffing and the roles of the staff employed**
 - **Details of how the provider work out their rent costs**
 - **Whether the landlord had also requested support from the commissioning part of the Council**
 - **Details, including training, qualifications etc, of any support workers employed by the landlord**
 - **Information about how the landlord could demonstrate quality in the support they were offering.**

6.2. Terms of reference 2 (re-commissioning of housing related support)

- 6.2.1.** On 13 August 2012 the Task Group were informed that under Supporting People 2,400 people in Medway had been supported by the Supporting People budget. Of those over 1800 were older people in sheltered accommodation, the next largest group were younger people, then people with learning disabilities, ex-offenders and victims of domestic violence etc. The funding stream was ring fenced. Under the Supporting People regime there was an assumption that if a person got help from social care they must be vulnerable or in need of Housing Related Support. This worked to create an eligibility to claim for enhanced housing benefit as well as social care and Supporting People funding and often led to a situation where a person was receiving multiple funding streams for the same type of support.
- 6.2.2.** The vulnerability element was complicated - there could be someone who was capable of living on their own for the majority of the time and who had a level of temporary vulnerability versus someone who had a more enduring vulnerability. It was therefore important to have a policy for people who are generally vulnerable

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as opposed to an assumption that people who originally got money from Supporting People funding automatically now need enhanced housing benefit. There were those who were genuinely at risk as far as their own wellbeing was concerned or at risk of abusing others and these needed to be protected. Kate McAllister Consultants have found that the system had been generally abused and a poor quality of support provided. Changes have been made since the reduction in the Supporting People funding and these were being worked through with providers by Kate McAllister Consultants. It is clear that until recently, not all the providers have been delivering an enhanced service or delivering outcomes.

- 6.2.3. People with learning disabilities often stay in a property for a long time, but usually have a commissioned care package which has to be kept separate from the support provided by the landlord. Otherwise the property would have to be a registered care home. Some landlords include costs associated with repairing accidental damage, replacing light bulbs, fuses etc as being eligible for enhanced housing benefit, for example in instances where there are tenants with learning difficulties, as a complementary role of support.
- 6.2.4. There are checks made on what is being commissioned by the Council through the Quality Assurance Framework – in those instances if the provider does not deliver improvements then warnings are issued and eventually the Council would cease doing business with the provider if performance did not improve.
- 6.2.5. With the reduction in budget of £2m in supporting people funding it will be important to target the Council's funding for Housing Related Support to the appropriate areas and commission accordingly. Funding for those people eligible for adult social care, children's social care, those living in sheltered housing accommodation, or experiencing domestic abuse who required enhanced housing benefit were all being protected and their needs met which left a much smaller group of people. It will therefore be important to identify those people who are really vulnerable to ensure that they receive quality care. The issue is that a number of the providers have not produced outcomes. The Assistant Director, Adult Social Care was keen that the Task Group focussed its attention on those people who were no longer eligible for funding (following the reductions in Supporting People funding) but still had a level of vulnerability and need of help.
- 6.2.6. On 5 November 2012 the Task Group took evidence from Lorraine Egan, Consultant from Kate McAllister Consultancy and Coaching in respect of reshaping Housing Related Support commissioning and payment by results. She explained that local authorities were only just moving over to outcome focussed commissioning and that many had not specified what outcomes they wanted to achieve.

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Change was the only constant across the whole country and was set against a backdrop of localism, welfare reform, NHS reform and budget reductions year on year. Local authorities were endeavouring to ensure that value for money was being achieved.

- 6.2.7. She felt that placing the responsibility for procurement within the Strategic Housing Service of the Council was a helpful move. She referred to different methods of commissioning including using a consortia approach and the different ways of packaging services including floating support and accommodation based support.
- 6.2.8. The Task Group were advised that discussions had been held with providers and most were willing to take part in re-negotiating what they provide. Only a couple of providers had stated they were unable to renegotiate and would no longer be able to continue their contract in Medway. The Task Group was advised that smaller providers were tending to lose out to larger providers across the country. Only one service has ceased as a result of the funding reductions agreed in February 2012 (Keyring with 10 service users) and these clients have been able to access alternative floating support. Two organisations have withdrawn from Medway, but alternative suppliers have been found in both cases and these services continue to provide support to vulnerable young people.
- 6.2.9. In terms of outcomes these would vary between the types of contract and be affected by the very different client groups involved in receiving Housing Related Support. Each Council would need to work on what constituted success as far as outcomes for each contract were concerned. The Department for Communities and Local Government had developed a basket of outcome measures for Housing Related Support and she undertook to share this information with the Council. She referred to different ways of achieving a more effective service by having certain services delivered at a hub for instance rather than to individuals, which saved time and money, although she did say that it would not be appropriate for all groups of clients. She also acknowledged that many of the clients with chaotic lifestyles would not deal well with personal budgets. Reference was made to the practice among some providers of topping up their funding loss from Supporting People funding by increasing charges for intensive housing management. It was also stated that some non-registered providers in Medway were now looking at the possibility of becoming registered providers partly aided by consultants who saw this as a 'window of opportunity'.
- 6.2.10. The Head of Strategic Housing referred to the need for flexibility of housing related services. He said that on regular occasions, late on a Friday for instance, someone presented to the Council as homeless or needing Housing Related Support possibly because of the fact they were fleeing domestic violence. At that point it was

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often difficult for the housing section to make contact with the relevant people to put services in place for them. In his view it was important that flexible 'wraparound' services were available so that this was no longer a problem.

- 6.2.11. The Consultant referred to the ten pilots across local authorities in payment by results. The majority were uncoupling accommodation and support and were keeping back part of the payment to incentivise providers to bring about the desired outcomes. Cheshire Council was taking a different stance and, instead of holding back part of the contract payment, was offering an incentive to providers on the evidence of achieved outcomes. She stated that the findings so far were not conclusive and it would take a few years before it would be possible to be sure how successful the pilot had been. She also said that successful outcomes based commissioning had to be with the full collaboration with providers. In relation to payment by results many small providers had stated that they could not afford to accept a lower initial contract price so this was something, which needed to be considered if the Council decided to implement payment by results.
- 6.2.12. Reference was made to the pilot of a web-based Service Quality Tool developed by the Chartered Institute of Housing which was being piloted in various areas, including Medway. She stated that the intention of the tool was to provide a simple means of assessing the process, capturing service user outcomes and producing reports. As part of this service users receive regular texts and/or questionnaires asking for feedback.
- 6.2.13. The final conclusion of the Task Group was that the overall objective of Housing Related Support in Medway should be to provide support advice and assistance to clients in various situations who required the provision of usually time limited and targeted support to either secure or maintain housing. Those households to be assisted should be those experiencing difficulties in maintaining a tenancy, threatened with or who are homeless and those requiring assistance accessing housing that is suitable and can be affordable.

The framework for commissioning should ensure the services will:-

- Be developed to reflect the information, needs and trends as identified as part of the Needs Analysis being provided by the Institute of Public Care, Oxford Brookes University, to ensure the services commissioned are designed to meet identified and developing needs
- Achieve value for money
- Set out identifiable, measurable and realistic outcomes for services and their clients, whilst setting out a pathway for development that will allow the assessment of value added

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and achievement for individual clients and the 'distance travelled' in relation to progress

- Ensure that the services are delivered in a structured way, that will allow flexibility to cater for the provision of assistance to clients with multiple needs and challenges by enabling the service to be tailored to individual need and circumstance
- Be subject to on-going review, monitoring and challenge with suitable resources allocated to ensure that the standard and quality of the commissioned services is maintained
- Be accessible to both those services referring clients for support and for the clients in need of support.
- Encourage and require the on-going development, refinement and improvement of services to allow for their continual improvement and development to reflect good practice, and maintain efficient and effective service delivery.

To ensure the efficient, effective and equitable provision and delivery of services, consideration could be given to the following options to improve the standard of support and accommodation services provided through Housing Related Support:-

- **Enabling progress through pathways**
To expand the "pathways" approach to support and assistance, with the expectation that generally clients move step-by-step through the pathway towards independence.
- **Maximising use of supported accommodation**
Improve the timely move on from supported accommodation; review the duration of stays in accommodation. Ensure supported accommodation is spread geographically across Medway avoiding clusters of accommodation, which could have a detrimental effect on local communities, whilst working to ensure that there is sufficient supply accessible to people with mobility impairments.
- **Services targeted at those in greatest need**
Ensure that services are provided to those who most need them and that clients are receiving appropriate levels and types of support to effectively meet their needs. It will also be important to assess the unmet need in the area.
- **Consistent support levels**
All supported accommodation should be commissioned to reflect the Needs Analysis, to ensure equivalent levels of support to clients with a similar range of needs.
- **Timely and effective move on**
When clients are ready to move on, provide effective support to sustain their tenancies and independence. The prevention of repeat episodes of homelessness will be an important priority.

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- **Making the best use of the private rented sector**
Where appropriate, supported accommodation providers will be expected to encourage and enable their clients to move on to private sector tenancies.
- **Effective support to sustain tenancies**
Provide for those leaving supported accommodation and moving into their own tenancies “resettlement support” to establish themselves in their new home, to develop tenancy skills and ensure they are able to independently sustain the tenancy into the future.

The focus of the re-commissioning should be to promote increased independence from the outset, discourage dependency and encourage people to do things for themselves, learning the skills they need to become independent. To achieve this Services should:-

1) Be outcomes-focused

Services should be commissioned on the basis of outcomes and numbers of clients supported. Providers will be encouraged to build upon best practice and develop innovative ways of achieving improved outcomes for clients. The purpose of the services we are commissioning will be to prevent homelessness.

2) Provide more effective floating support services

Floating Support should be delivered flexibly and should reflect the needs of clients, with providers taking the lead in assessing how much support and assistance is to be provided and how these services might include a drop-in or triage service delivering quick fixes for people (e.g. to interpret a letter or make a few phone calls).

Recommendation 4: To recommend the Cabinet to (a) support the direction of travel, suggested by the Task Group, as set out in paragraph 6.2.13 above, in adopting a smarter, more cohesive structured approach to the commissioning of Housing Related Support for those areas considered as part of the review and (b) instruct the Head of Strategic Housing to prepare a Commissioning Framework for services and to develop a timetable to allow for the efficient, effective and equitable commissioning of services to reflect the approach endorsed by the Task Group.

- 6.3. The outcome of the Oxford Brookes’ needs assessment being undertaken by the Institute of Public Care would not be available until 21 December 2012. As the Task Group want to see the outcome of the assessment it has been suggested it should be reported to the Regeneration, Community and Culture Overview and Scrutiny Committee at the six month review of the recommendations.
- 6.4. Discussion took place as to the potential for the Health and Wellbeing Board to have a role in dealing with any public health and health

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inequality issues that may emerge. It was felt that there was no specific role at this stage but there may be issues to refer to the Board at a later stage.

Recommendation 5: To recommend Regeneration, Community and Culture Overview and Scrutiny Committee to (a) add to its work programme a review in July 2013, of the outcome of the Task Group recommendations to enable Members to assess:

- the progress that had been made in the re-commissioning of services (set out in recommendation 4 above)
- feedback on the new approach to the provision of Housing Related Support from both providers and service users
- whether there has been a detrimental effect on those approaching the Council as a result of the re-commissioning of Housing Related Support
- the way in which the needs analysis undertaken in association with the Institute of Public Care, Oxford Brookes University has been used to inform commissioning, and establish what unmet need there is in Medway
- any changes in relation to the enhanced housing benefit situation/welfare reform
- details of how the re-commissioning has resulted in improved value for money
- the success of the service quality tool pilot
- how the revised model of provision was facilitating the more effective move on of clients to more suitable settled accommodation
- whether any assistance is needed from the Health and Wellbeing Board in relation to taking up evolving issues relating to health and social care/health inequalities
- figures for the net migration into Medway of people eligible for enhanced housing benefit

7. CONCLUSIONS AND RECOMMENDATIONS

7.1. In formulating the recommendations set out below the Task Group concluded:

- There is a need for legislation to be tightened in relation to housing benefit and exempt accommodation
- Additional assistance would be helpful in the housing benefit section to address the high volume of claims, to continue the robust challenge to high rents and the vigorous challenge to any future Tribunal cases
- Outcomes based commissioning is the way forward in terms of quality of provision in relation to housing related support along with a greater understanding of need in this area

7.2. The specific recommendations are as follows:

1. That the Cabinet is recommended to request the Chief Finance Officer to write to Lord Freud, Minister for Welfare Reform at the Department of Work and Pensions, and to the three Medway Members of Parliament requesting that they also put pressure on Lord Freud, to (a) tighten up the regulations in connection with eligibility to exempt accommodation in view of the increasing financial burden being placed on local authorities brought about by the lack of a cap on the amount which could be charged by providers for enhanced housing benefit; and (b) address the inequality and burden placed on this Council by the increasing migration of people into Medway, eligible for enhanced housing benefit, for whom the Council may only claim part subsidy.
2. That the Cabinet be recommended to request the Chief Finance Officer to submit a business case for seconding additional, specialist, support into the Benefits Team in order to increase the capacity for dealing with complex negotiations with exempt accommodation providers. This would be on the basis of an 'invest to save' proposal as it would release the Benefits Manager to continue in her existing role within the specialist service, with responsibility for the quality assurance of the benefits caseload together with work in respect of liaison and forward planning in respect of Welfare. This would enable the Council to maintain its stance in robustly challenging high rents, negotiating lower rents and provide for a robust case in the event of a challenge at Tribunal stage.

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3. To recommend the Cabinet to support the following proposals in relation to enhanced housing benefit and instruct the Chief Finance Officer as follows:
 - a. As part of the negotiations with exempt accommodation providers the Council should set out its expectations relating to outcomes and promote a clear 'move on' pathway/outcomes star programme (or equivalent pathway) with regular monitoring updates to enable the Council to track the outcomes for people in exempt accommodation.
 - b. An enquiry tick box questionnaire should be developed for potential providers of exempt accommodation asking the following:
 - i. Questions about the eligibility of the landlord to provide the relevant support
 - ii. Questions about the premises – does the landlord own the freehold for example?
 - iii. Information about staffing and the roles of the staff employed
 - iv. Details of how the provider work out their rent costs
 - v. Whether the landlord had also requested support from the commissioning part of the Council
 - vi. Details, including training, qualifications etc of any support workers employed by the landlord
 - vii. Information about how the landlord could demonstrate quality in the support they were offering.
4. To recommend the Cabinet to (a) support the direction of travel, suggested by the Task Group, as set out in paragraph 6.2.13 in the report, in adopting a smarter, more cohesive structured approach to the commissioning of Housing Related Support for those areas considered as part of the review, and (b) instruct the Head of Strategic Housing to prepare a Commissioning Framework for services and to develop a timetable to allow for the efficient, effective and equitable commissioning of services to reflect the approach endorsed by the Task Group and present their Quality Assurance Framework to Regeneration, Community and Culture Overview and Scrutiny Committee and Cabinet Members prior to implementation.
5. To recommend Regeneration, Community and Culture Overview and Scrutiny Committee to (a) add to its work programme a review in July 2013, of the outcome of the Task Group recommendations to enable Members to assess:

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- The progress that had been made in the re-commissioning of services (set out in recommendation 4 above)
- Feedback on the new approach to the provision of Housing Related Support from both providers and service users
- Whether there has been a detrimental effect on those approaching the Council as a result of the re-commissioning of Housing Related Support
- The way in which the needs analysis undertaken in association with the Institute of Public Care, Oxford Brookes University has been used to inform commissioning and establish what the level of unmet need is and its implications
- Any changes in relation to the enhanced housing benefit situation/welfare reform
- Details of how the re-commissioning has resulted in improved value for money
- The success of the service quality tool pilot
- How the revised model of provision was facilitating the more effective move on of clients to more suitable settled accommodation
- Whether any assistance is needed from the Health and Wellbeing Board in relation to taking up evolving issues relating to health and social care/health inequalities
- Figures for the net migration into Medway of people eligible for enhanced housing benefit.