

Mind's response to the DWP and MHCLG consultation on funding for supported housing.

Introduction

Mind is the mental health charity for England and Wales. We provide advice and support to empower anyone experiencing a mental health problem. We campaign to improve services, raise awareness and promote understanding. Our network of approximately 135 local Minds deliver services across England and Wales. For some local Minds, this includes providing supported housing for people with mental health problems.

Mind welcomes the opportunity to feedback on new proposals to fund supported housing. There is a clear and strong link between mental health and housing, and evidence shows that supported housing has a positive impact on the severity of mental health symptoms and on life satisfaction.¹ 5% of all supported housing is for people with mental health problems, making it one of the most significant types of supported housing.² Our consultation response is in relation to Section 3: Consultation on housing costs for short-term supported accommodation and Section 4: Draft National Statement of Expectation for supported housing funding (housing costs).

Summary

We appreciate that the government and the supported housing sector have long been looking for a funding model which better meets the needs of tenants of supported housing. However, we are disappointed by the funding model being proposed. The Government's proposals are pinned on a definition which harmfully enforces a time limit on short-term supported housing. Furthermore, removing funding from the welfare system will reduce the funding flexibility and stability that most organisations rely on.

The current proposals are short-sighted, ill-informed, and are likely to have a devastating impact on the supported housing sector. Mind urges the government to keep short-term supported housing costs funded by the welfare system, whilst looking for further ways to invest in the supported housing sector. We appreciate the need to ensure value for money, but as the proposals recognise, supported housing is "an investment which brings significant savings to the NHS, social care, and other parts of the public sector". The government needs to look at increasing local authority funding for support costs, whilst keeping entitlements to supported housing rents within housing benefit and the housing element of Universal Credit.

Defining short-term supported housing

We are concerned by the way in which the proposals define supported housing by time. To define short-term supported housing as provided for up to two years places an

¹ Mind (2017) Brick by Brick: A review of mental health and housing. Available at: <https://www.mind.org.uk/media/17947884/20171115-brick-by-brick-final-low-res-pdf-plus-links.pdf>

² DWP and DCLG (2016) Supported accommodation review. Page 39. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf

unhelpful – and potentially harmful – time restriction on support. When a person with mental health problems starts their stay in supported housing, it is unclear how long they may need to be there before they are well enough to move on. Focus on move-on times can lead to people leaving supported housing before they are ready to live independently, interrupting their recovery and leading to more service intervention over time. Many projects use two years as an aim, but to impose a hard limit of two years risks the health of individuals who may be close to recovery. Although we appreciate that many current local funding models divide supported housing into short and long-term, funding provided for beds through the welfare system has not done this.

Whilst there is a recognised need for a better approach to funding **very short-term** supported accommodation, the proposals conflate this with all short-term supported housing. We believe that emergency accommodation needs to be addressed separately, and through the welfare system, for reasons we detail below. For emergency accommodation of fewer than 12 weeks, the welfare system needs to be flexible enough to respond to changes of circumstance quickly, and to account for those who may need to pay for housing costs across two properties. There are too many issues with the proposed funding model for it to work for short-term supported housing.

Funding certainty

The policy proposals emphasise the need for funding certainty and flexibility. However, moving funding into local authority commissioning reduces this certainty and flexibility for organisations. Funding through the welfare system is responsive to need as it directly correlates to the number of adults in their services.

The proposals assert that giving local authorities control of supported housing funding means that they can fund services that meet the needs of the local area – but this would only be more useful than the current funding model if more investment was to be put in to creating more supported housing. As housing benefit is allocated to individuals, it can fund the need in an area more accurately than projections can. We agree that more investment is needed for more supported housing projects, but removing housing benefit funding is not a way to meet this goal – especially if local authority grants will only cover current housing benefit levels, and not match other current funding sources which services rely on.

The news that supported housing will no longer be subject to Local Housing Allowances or the benefit cap is very welcome. It demonstrates that the Government recognises the high costs involved in providing supported housing. Usually, providers have income from other sources to cover support costs, including in some local authorities which still provide Supporting People funding. This means that matching housing benefit rates alone will in fact reduce some projects' current funding, leaving them unable to meet the needs of their tenants.

The proposals detail an “intention” to then retain the ring-fence on the funding, but this is not enough. We have seen cut after cut to public sector budgets, and as local authorities struggle to provide services, we see no assurances that a ring-fence around supported housing funding would be honoured. The sector has struggled since the removal of the

ring-fencing of the Supporting People budget, and there needs a more sustainable and long-term solution to funding.

We are calling on the Government to retain funding of short-term supported housing through the benefit system. If this is not to happen, we ask the Government to confirm that the funding will be ring-fenced long term, and to look into further investment in the sector.

Value for money

We appreciate that the policy document recognises the investment role of funding for supported housing: good supported housing means that people can focus on their mental health recovery and are less likely to have to re-enter hospital. Frontier Economics have calculated that there is an average net benefit of £4,671 (primarily to the NHS) for each person with mental health problems in supported housing.³ It is important that this long-term investment is not forgotten in attempts to save on outgoings.

The focus on move-on times and strict move-on policies undermines the investment in supported housing, and can lead to people being moved out of supported housing too quickly, interrupting their recovery and potentially meaning they need more service intervention over time.

The proposals' focus on securing funding whilst providing value for money and controlling costs suggests that over time, supported housing providers would be asked to provide more and more for less money. We know that the sector already struggles to do all it can on a small income. Increasing funding, rather than looking to cut the initial cost, would provide more value over time for the tax payer. We urge the Government to remember the key role of supported housing in easing financial pressure on the NHS and enable providers to continue to receive funding through benefits.

Diversity of providers

A range of different organisations provide supported housing, catering for a variety of needs. Whilst housing associations provide a large portion of the mental health supported housing, the Government's 2016 review revealed that 19% are provided by charities and voluntary organisations, 6% are provided by local authorities, and 8% by other providers including private landlords.⁴ It is likely that local authorities would seek to commission large organisations to simplify their work, pushing out smaller charities and potentially

³ Frontier Economics (2010) Financial benefits of investment in specialist housing for vulnerable and older people: A report for the Homes and Communities Agency. Available: <https://www.frontier-economics.com/documents/2014/05/financial-benefits-of-investment-frontier-report.pdf>

⁴ DWP and DCLG (2016) Supported accommodation review. Page 44. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf

leading to a lack of specialist services. Large public sector contracts have been shown to have damaging impacts on communities, without increasing efficiency.⁵

Whilst local commissioning would give local authorities more oversight and control over provision in their areas, and strategic plans are an admirable aim, the proposals take too much control away from the organisations providing supported housing. It is likely that local authority contracts will include conditions that constrain the work of charities and voluntary organisations. These organisations are experts in what they do and funding through the welfare system gives them the control to build the specific service that works for them and their tenants.

The rights of tenants

The proposals assert that the new model is person-centred, but in fact it is less person-centred than current funding which is allocated to each person. If a tenant is no longer paying their rent themselves, their rights are likely to become limited. Whilst someone is paying for their accommodation through the benefits they are entitled to, they develop a sense of ownership of the place they live. A tenancy agreement and the skills that come with managing it are very important for many people, enabling them to gain independence and ultimately move on. It is unlikely they'd have this useful experience if they were not involved in the payment for their accommodation.

We hope the Government takes on board our concerns and produces a funding solution fit for the future, and fit to support those individuals living in supported housing.

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⁵ Locality (2014) Saving money by doing the right thing: why 'local by default' must replace 'diseconomies of scale'. Available at: <http://locality.org.uk/wp-content/uploads/Locality-Report-Diseconomies-updated-single-pages-Jan-2017.pdf>