



**DWP** Department for  
Work and Pensions

Public consultation

# Housing Benefit Reform – Supported Housing

Proposals for change in the way  
Housing Benefit assists those living  
in supported housing within the  
social and Voluntary sector with  
their rent

July 2011

Presented to Parliament by the Secretary of State  
for Work and Pensions by Command of Her Majesty  
July 2011

Cm8152

£10.25



Public consultation

# Housing Benefit Reform – Supported Housing

Proposals for change in the way  
Housing Benefit assists those living  
in supported housing within the  
social and Voluntary sector with  
their rent

July 2011

Presented to Parliament by the Secretary of State  
for Work and Pensions by Command of Her Majesty  
July 2011

**© Crown Copyright 2011**

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at  
Housing Benefit Team (Supported housing consultation)  
Department for Work and Pensions  
6th Floor  
Caxton House  
Tothill Street  
London, SW1H 9NA  
E mail: [HB.supportedhousing@dwp.gsi.gov.uk](mailto:HB.supportedhousing@dwp.gsi.gov.uk)

This publication is also available for download at  
[www.official-documents.gov.uk](http://www.official-documents.gov.uk)

This document is also available from our website at  
[www.dwp.gov.uk/consultations/2011/supported-housing.shtml](http://www.dwp.gov.uk/consultations/2011/supported-housing.shtml)

ISBN: 9780101815222

Printed in the UK by The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

ID: 2443068 07/11

Printed on paper containing 75% recycled fibre content minimum.

# Contents

Introduction.....	4
About this consultation .....	5
Summary .....	6
The need for reform.....	8
What is Housing Benefit? .....	9
Housing Benefit for those in Supported Housing .....	10
Why is supported housing more expensive? .....	11
Affordability and sustainability .....	12
Reform objectives.....	12
Proposals for change.....	14
Consultation arrangements.....	21
Consultation questions .....	24
Glossary of terms .....	26
Examples of how Housing Benefit is worked out for those in exempt accommodation .....	27

# Introduction

This consultation seeks views on the Governments proposals to change the method by which help with rent is worked out for those who live in supported housing within the social and voluntary sector. It seeks views to inform our policy development as we look to re-design the way in which Housing Benefit helps with the higher rents sometimes faced by the elderly or those with disabilities. The public consultation applies to England, Scotland and Wales.

# About this consultation

## Who this consultation is aimed at

This consultation is primarily aimed at people who live in supported housing and those who represent their views, as well as those involved in the commissioning, funding and providing of supported housing with an interest in how Housing Benefit assists their tenants to pay their rent.

## Purpose of this consultation

The Government proposes to change Housing Benefit for those who live in supported housing within the social and voluntary sector. The consultation document seeks your views to inform the detailed policy design.

This document will give you some background information about Housing Benefit in this sector and explain why we want to reform it. We will be clear about what we plan to change, and what will remain the same. We are looking to establish the key principles for reform first.

We explain the proposed changes and ask for your views. The questions are clearly highlighted and listed at the end of the document, where we also ask if there is anything else you would like to add.

# Summary

1. The Government is committed to supporting vulnerable, older and disabled people to lead independent and active lives in the community rather than living in more institutionalised care. Housing Benefit payments for this group can be higher than for those in mainstream accommodation. However, the current rules have been in place since the mid nineties and no longer fit the way that personal care and support are now commonly delivered. These rules have become complex both to administer and understand.
2. Many of those who live in the supported housing managed or owned by not-for-profit social or voluntary sector providers have their Housing Benefit based on more generous rules.
3. These rules are commonly seen as being beneficial to customers with specific needs. The targeting of this extra help is contingent on landlords providing the care or support the tenant needs. However, in practice nowadays, fewer landlords are actually involved in providing for these needs with the promotion of choice for individuals in deciding who should provide the care or support they need.
4. It is therefore time to look again at how Housing Benefit for this group is calculated. We want to understand what makes rents in this sector higher than for those in the private rented sector and whether it is reasonable to meet these rents through benefit. As we move towards the Universal Credit in 2013 we need to consider how supported housing costs can be met and whether they should be based on Local Housing Allowance principles.
5. Our challenge then is to reform Housing Benefit in such a way that it can more effectively help those people with specialist housing needs who commonly live in specialist supported housing or in adapted housing. We want Housing Benefit to support independence in the community whilst being fair, affordable and sustainable.
6. We recognise that the need for supported housing broadly falls into two groups:
  - those who commonly need lower levels of personal care and support to help them remain in the community, which is often provided in more communal and easily recognisable types of accommodation such as hostels, refuges, Foyers and purpose-built sheltered housing; and
  - those who often need more intensive levels of personal care and support to help them live in the community, who often have more specific housing needs that can not be met by mainstream or existing supported housing and which is often provided in housing specifically built, acquired and/or adapted for the individual tenant(s).

7. For those in the first group, we are proposing to pay the Local Housing Allowance but with fixed additions which will continue to recognise the higher costs of providing this type of housing.
8. For those in the second, smaller, group we are proposing that additional help will be provided, where necessary, over and above the standard Local Housing Allowance. We propose that extra help will no longer be decided by those processing benefit claims but by local authority officials who have experience in such things, or who have access to those with such expertise. Such decisions could possibly be made within the commissioning process for supported and specialist housing in which the individual is involved or represented.
9. It is important to be clear that these reforms are not looking to cut expenditure in this sector but to better direct it. In the face of rising expenditure in this area, it is important to find the right balance between protecting reasonable rents and providing effective expenditure control for the tax payer. Consequently any changes will need to be cost neutral overall.

# Supporting people to live independently in the community

## The need for reform

10. The Government is committed to supporting vulnerable, older and disabled people to exercise choice and control and lead independent lives. We believe that, with the right levels of support, everyone including disabled people can play a full part in society.

11. The current Housing Benefit system for people in supported housing no longer works:

- The processing of these benefit claims has become too complicated often resulting in time consuming and intrusive investigation of a person's care and support needs, as well as the provider's status and how the care and support is delivered.
- It is incompatible with other government policies as linking housing with care provision in legislation mirrors that for care homes where residents are ineligible for Housing Benefit. It does not fit with the Government's wider objective of personal budgets, where individuals are enabled to exercise choice in commissioning their own care.
- It can be unfair in that it does not provide extra help to those requiring personal care or support whose landlord is not one of the prescribed types, but who have additional housing costs because of their condition. These claimants currently face the same rent restriction rules as other private sector tenants in mainstream housing.
- It creates unnecessary risk as specialist housing providers are said to be reluctant to invest in this housing sector due to uncertainty around how help with their rents will be determined. There is the potential for schemes to become financially unviable, which would leave vulnerable people without the specialist provision they need.
- It is costly to many local authorities who often have to meet some of the Housing Benefit costs for expensive properties themselves.

## What is Housing Benefit?

12. Housing Benefit is administered by local authorities and is paid to people on a low income to help them meet the costs of their rent. It is administered by local authorities, alongside Council Tax Benefit, according to a national set of legislation and guidance.
13. Housing Benefit is available to tenants renting their homes in either the private or social rented sectors but it does not provide help with mortgage costs or non-rent related housing costs e.g. shared ownership or low cost home ownership. It is available to customers in work or out of work, of working age or pension age. Eligibility for Housing Benefit may be determined by receipt of certain qualifying benefits, or may be paid to people who have a low income and limited savings.
14. The level of help available through Housing Benefit largely depends on such things as the type of landlord, when the tenancy was entered into and when Housing Benefit was first claimed. Help is usually available toward the full rent of social sector tenants while help for those in the private sector is usually based on a generic rent level decided by a local rent officer that is reasonable for the area and the size of home they need. This is known as the Local Housing Allowance. Reforms to Housing Benefit, including Local Housing Allowance, were announced in 2010 and have started to take effect from April 2011<sup>1</sup>.
15. Local Housing Allowance ensures that the levels of help with rent are made clearly available, removing the need for individual referrals to rent officers for most claimants. Tenants are also able to make clear comparisons on the levels of help available towards their housing costs in different areas and for different property sizes.
16. In its recent White paper - Universal Credit: Welfare that works<sup>2</sup> - the Government has set out the future of the welfare system with plans to remove the complexities of the current benefit system. Universal Credit will provide, for those of working age, a basic amount with additions for those with children and other caring responsibilities, people with disabilities and those with housing needs.
17. Due to be introduced from October 2013, it will be available for all those of working age who meet the eligibility criteria, both in and out of work. For

---

<sup>1</sup> Link to Housing Benefit reforms that are being introduced:  
[http://www.direct.gov.uk/en/N11/Newsroom/Budget/Budget2010/DG\\_188501](http://www.direct.gov.uk/en/N11/Newsroom/Budget/Budget2010/DG_188501)

<sup>2</sup> Link to White paper - Universal Credit: Welfare that works:  
<http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/>

those who rent, it will include an amount toward a person's housing costs similar to the support currently provided through Housing Benefit.

18. The Government will set out detailed proposals for how customers of pension age should be helped with their housing costs in due course.

## **Housing Benefit for those in supported housing**

19. Housing Benefit, along with other benefits and funding for personal care and support, enables people in vulnerable situations to live in the community rather than in more institutionalised care. While Housing Benefit can provide help with a person's rent, local authorities can help with the support needed to live independently through housing support services which is funded separately to Housing Benefit while Community Care helps identify entitlement to assistance with personal care.
20. Housing Benefit is paid to either the individual or the landlord. Money paid for support and personal care has traditionally been paid to the organisation providing it, which may be the landlord. However, this is changing with funding increasingly being paid directly to the individual enabling them to take control of how their personal care and support is provided.
21. Those who live in social housing normally have their rent met in full by Housing Benefit. Many of those in supported housing whose landlord is a housing association, registered charity, voluntary organisation or county council which provides them with the personal care, support or supervision they need, have their Housing Benefit based on more generous rules than those living in mainstream accommodation.
22. Supported housing includes group homes, hostels, refuges, sheltered housing, supported living complexes and adapted housing for those with disabilities. Those who benefit from these rules include the elderly, people with mental, physical and learning disabilities, substance abusers and the ex-homeless.
23. These more generous rules can help with the higher building costs of developing and managing specialist supported housing. However, this extra help is not available to those who may have higher housing costs but whose landlord does not provide their personal care or support. It also excludes those in privately rented homes.
24. When a claim is made by someone in supported housing, local authorities have to decide whether the rent is too high to be met by Housing Benefit. Local authorities base this decision, with input from the local Rent Officer, on the level of rents being charged locally for similar homes. They also have to consider whether it would be reasonable to expect the tenant to move.

25. Where there are no similar homes to compare the rent against, and the person is elderly, unable to work or has children, the rent is often met in full by Housing Benefit, no matter how high it is. Examples of how Housing Benefit is worked out are provided at Appendix A.
26. Local authorities assessing Housing Benefit often find it difficult to restrict rent payments to a reasonable level as they have to do this by comparison with suitable alternative accommodation which, because of poor supply, is often not available in this specialist housing sector.

## Why is supported housing more expensive?

27. The Housing Benefit rules for supported housing have remained in place because they have helped people in the most vulnerable situations afford their rents. But why are these rents so often higher than those being charged for similar accommodation in the private sector? Our recently published research<sup>3</sup> has highlighted some of the most common activities that make up the additional costs associated with supported housing.
28. While among not-for-profit landlords rent-setting models may vary, providers generally look to cover the additional costs associated with supported housing through the rent.
29. Supported housing is often of higher quality than mainstream housing. This is because the units of accommodation are purpose built to enable residents to lead more independent lives, with greater accessibility, more space or specific adaptations included. It may also be important for residents to be situated closer to amenities, public transport routes, or in relatively quiet neighbourhoods. As a result, supported housing is often acquired in more expensive areas or attracts higher development costs.
30. Certain housing types, such as bungalows or detached properties, needed because of access or behavioural difficulties, may be more expensive. Properties tend to be developed and provided in response to demand, often commissioned by adult social care departments or in response to local authority housing needs surveys, which typically specify a lack of purpose built accommodation or particular adaptations required to improve access and provide suitable facilities.
31. There can also be additional housing management costs through heavier wear and tear. There is not only the cost of replacing or repairing expensive household equipment, such as fridges, washing machines or furniture but also training of repairs and maintenance staff in understanding the

---

<sup>3</sup> 'Exempt' and supported accommodation  
<http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep714.pdf>

importance of taking extra care with tools and equipment and how to respond to unexpected behaviour.

32. Staffing costs can also be higher due to more time spent on housing management and extra security because of residents' mental disabilities or chaotic lifestyles. There are a wide variety of services provided that help individuals live independently. The research notes over 400 different types of charges made in addition to the core rent. The main ones centre around:

- providing 24 hour housing management cover
- providing more housing related support than in mainstream housing
- organising more frequent repairs or refurbishment
- providing more frequent mediating between tenants; and
- providing extra CCTV and security services

## Affordability and sustainability

33. While this review is not looking to reduce costs we can not ignore the current economic climate and our commitment to ensure that the tax payer is getting value for money. There is a need for a transparent, fair and consistent approach that achieves the right balance between costs and services funded by Housing Benefit, and those more appropriate to other Government funding streams.

34. For example, the Transitional Housing Benefit Scheme (2000-2003) was set up when it was realised that Housing Benefit was commonly meeting support costs that should have been funded separately. This scheme identified support costs that were being incorrectly met through Housing Benefit. At the end of this 3 year process the costs identified were used in setting up the Supporting People fund. From April 2011 supporting people funding has been rolled into formula grant, giving councils the maximum flexibility to meet their local needs in the best way.

35. We need to carefully consider how the different sources of help fit together. If Housing Benefit is meeting costs that do not directly relate to housing, what would happen if that help was withdrawn?

## Reform objectives

The reformed scheme should:

- recognise that supported housing carries higher costs;
- but come with appropriate controls on levels of rent;

- be clear about the types of additional activities that might be covered and those which would not;
- be better targeted at those who need help;
- be easier to understand and administer;
- provide a predictable level of income for providers;
- where necessary, use local expertise in setting the level of help available;
- provide robust expenditure control and provide value for money;
- be compatible with Universal Credit.

36. Having a disability, personal care or support need does not necessarily mean that a person's home has to be different from or more expensive than mainstream housing. However, we recognise that in certain circumstances housing costs may be higher because of an individual's needs.
37. There must be an appropriate system in place that controls the levels of rent we will pay. It would not be right for Housing Benefit tenants to have access to unrestricted funds in meeting the rent for their accommodation.
38. Any changes made to Housing Benefit must target help to those who genuinely need it. Any additional Housing Benefit should only meet additional, but reasonable, housing costs incurred over and above that of mainstream accommodation.
39. There should be a transparent system of expenditure control that is simpler to understand and administer. We want to build on the Local Housing Allowance by having a flat rate allowance for those in supported housing tailored in a way that assists with their higher housing costs.
40. Simplification must result in certainty about benefit entitlement, so that tenants can more confidently commit to taking on a new home.
41. For people who require very individual care and accommodation we want a system that is flexible enough to meet their housing needs following input from relevant local experts.
42. It also has to be compatible with the proposed structure of the Universal Credit. These proposals will simplify how Housing Benefit is worked out so that it is easier to understand, and will align better with Universal Credit in becoming more streamlined, so that it can be delivered centrally.

## Proposals for change

43. From our research and discussions with stakeholders we have concluded that customers and their need for supported housing fall into two broad groups:

### **People in conventional supported housing:**

- Often provided in more communal types of accommodation, possibly short-term in nature, such as hostels, Foyers, refuges and other purpose-built sheltered housing.
- Residents include those who are elderly, ex-homeless, fleeing domestic violence, young people, ex-offenders or substance abusers.

### **People with more specific housing needs:**

- This covers people who often need more intensive levels of personal care or support to help them live independently in the community.
- This accommodation is often more expensive because it has been built, acquired or adapted to meet an individual's specific housing needs.

44. We have established three main areas for consideration as part of these reforms:

## **Conventional supported housing**

45. We propose that this supported accommodation should have Housing Benefit based on the Local Housing Allowance with an addition that recognises the higher housing costs appropriate to this sort of accommodation. Help would be given with the full eligible rent up to the total amount of the appropriate Local Housing Allowance rate plus the addition.
46. We want to include private sector housing as we look to target help more by accommodation type rather than type of landlord.
47. This accommodation is often similar in design, with exclusive use of personal rooms, shared facilities and some communal rooms. Varying degrees of support and less intensive forms of care are provided to residents. Typical extra costs tend to arise from a need to provide such things as additional housing management, security staff and for higher levels of wear and tear.
48. Although more likely to be in the form of self-contained units, we would also include in this group various forms of sheltered accommodation commonly

provided for the elderly. Although meeting a more long-term housing need, the cost of providing this widely available type of housing is reasonably consistent.

49. These proposed rules will not apply to hostels where support is not provided. We will of course have to find a way of ensuring that a distinction is easily made. Temporary homeless accommodation is also subject to different rules for Housing Benefit purposes.
50. We would welcome your views on what any additional amounts above the core rent should cover. For simplicity, we envisage it would be a flat rate amount, perhaps with some regional variation. The amount payable could be set by enhancing a standard Local Housing Allowance rate by a certain percentage, by allowing an extra room or by basing it on a broad average of actual costs.
51. Alternatively, rather than there just being a single rate, there could be a separate rate for different types of accommodation within this group to reflect their particular costs. However, while this may seem fairer this could create a degree of complexity and uncertainty that we are trying to move away from. Finally, we could work with housing providers to base any addition(s) on actual costs, but again this would add complexity and administrative costs to the scheme and may be less transparent to customers.
52. More generally, we would need to be able to clearly identify in legislation the type of accommodation that would fall into this category and who should be responsible for identifying a particular property as being one of these types. We would need to be sure of the integrity of the system to ensure that additional help is targeted where it is needed most.
53. The level of additional help would be aimed at providing a reasonable amount towards certain additional costs. Anything attracting a cost beyond that would have to be met through alternative funding streams or from resources available to the claimant.

- |   |
|---|
| <ol style="list-style-type: none"><li>1. <b>What types of supported housing are available and how do you suggest they be identified and grouped?</b></li><li>2. <b>Should there be different geographical rates for each type of identifiable supported housing, such as hostels, sheltered housing or refuges or should a single rate be applied?</b></li><li>3. <b>What types of additional activities or resources are typical of supported housing and how should these be quantified into a weekly amount per unit?</b></li><li>4. <b>Should an amount for additional help be worked out using a flat rate addition representing typical additional costs or should a different method be used? Please tell us what you think are the advantages of your preferred option.</b></li></ol> |
|---|

## People with more specific housing needs

54. Accommodation that is provided to meet an individual's specific housing needs could be treated in the same way as mainstream accommodation for Housing Benefit purposes based on the Local Housing Allowance, with customers able to apply to a separate (supported housing) fund to meet their additional housing costs.
55. The detail of the exact funding arrangements would have to be determined but we propose that decisions on the level of any extra help that an individual may need toward their rent would be made locally. Where the decision making process sits within local authorities may depend on their local arrangement of social services and housing departments. Some local authorities may wish to collaborate given the small numbers involved.
56. Those making the decisions should have a background in and knowledge of housing procurement and the costs involved in providing specialist supported housing, or have access to those with such expertise. The housing department at the local authority, or social services, might be best placed to consider each application and decide, with specialist input where appropriate, whether additional help should be given and at what level.
57. They would need to take account of such things as the level of rents, including eligible services, and the wider benefit to the authority of the service being provided in collaboration with their Fair Access to Care and the local authority team responsible for supporting vulnerable people. Rent officers could also have a role in advising on reasonable specialist rents.
58. This would take the decision making process away from those responsible for administering Housing Benefit to those with expertise in the local provision of supported housing, creating a joined-up approach to ensure the best outcome for the client and the tax payer. The main advantage would be that the overall funding of supported housing would be brought within the local authority's broader responsibility of commissioning care and support for those who live in their area. We anticipate that overall policy responsibility for these additional housing costs would remain within the Department for Work and Pensions.
59. However, we would need to consider what constraints might need to be put on expenditure and what guidance or legislation would need to be put in place. It would be critical to its success that its use should be transparent and fair, providing broad but reasonable and consistent assistance for local supported housing schemes.
60. While it would be for the local authority to decide which department should make the decisions, we need to consider which tier of local authority might administer it where there is both a district and county authority. Decisions on Housing Benefit are made by district councils in a two tier system; should this be the same for making these decisions?

61. We will consider how funding should be fixed as it would need to be sufficiently flexible to be able to respond to changes in caseload but will need to be controlled, perhaps by limits on individuals or by reference to a rent officer assessment. We will also consider what type of mechanism should be put in place to achieve this.
62. Funding will need to cope with the ongoing nature of these payments as well as new cases. It may be that while estimated instalments are made throughout the year that a retrospective account is done at the end of the year based on final subsidy returns, in the same way as is done for the current Housing Benefit subsidy regime.

5. **What types of supported housing would fall into this group and how do you suggest they should be identified?**
6. **What types of higher housing costs are typical of this type of supported housing, that are over and above adaptations or specialist equipment which have funding sources elsewhere, and how should these be quantified?**
7. **Would the additional help for those with very individual housing needs be better met from separate funding administered by local authorities, expert in providing housing and/or care in the community?**
8. **Which tier of local government should have responsibility for deciding how extra help should be allocated? And, which department within a local authority do you think is best placed to manage the allocation of this funding?**
9. **Should a different method be used? If so please explain.**
10. **How can funding be made sufficiently flexible to changing caseloads and demands without being unlimited or increasing unit costs compared to the existing system?**

## **A Wider Reform than these?**

63. The above proposals consider the way in which supported housing costs are met within Housing Benefit, how they might be reformed in the future and their future fit with Universal Credit. But for some of those living in supported accommodation a more fundamental question is whether it would be better to consider these housing costs in the broader context of how care, support and supervision is commissioned, provided and financed.
64. The Government is committed to equality for disabled people, and to empowering individuals to have greater choice and control over the support

they receive. It wants to remove barriers which limit the opportunities for disabled people to fulfil their potential and to participate fully in society.

65. The Independent Living Strategy (ILS)<sup>4</sup> published in 2008 set out actions aimed at improving the choice disabled people have over the services they need to live their daily lives. It highlighted that disabled people have challenged the meaning of ‘independence’. Independent living does not mean doing things yourself, or living on your own. It means having choice and control over the assistance and/or equipment needed to go about daily life, and having equal access to housing, transport and mobility, health, employment and education and training needs.
66. In recent years changes have been made to allow for *Personal Budgets* which allow an individual to control their allocated funds and decide how that should be spent on their support and care. The *Right to Control* pilot scheme builds on this bringing together various funding streams giving individuals even greater choice and control over how public money is spent to meet their individual needs and ambitions. It gives disabled adults a legal entitlement to make informed decisions about how to use money available through particular funding streams relating to housing, employment and personal care.
67. While our proposals assume that help with the higher costs of providing supported housing should remain within Housing Benefit, is there a case for paying standard Housing Benefit and separating out the additional help altogether and administer it locally in the same way as *Personal Budgets*? Funding could then be allocated and added to the ‘pot’ of money available to the individual to decide where and how it should be spent. This might reduce the number of assessments of the individual’s needs and requirements that have to be made. Or is this a step too far that might in fact jeopardise an individual’s ability to find suitable accommodation and their required care within a total budget.

- |   |
|---|
| <p>11. <b>Is there a case for considering housing costs more fundamentally within a wider context by having the extra help with supported housing taken out of Housing Benefit altogether and administered locally in the same way as <i>Personal Budgets</i>?</b></p> <p>12. <b>Would this sort of approach only be appropriate for those that live in more specialised or adapted properties?</b></p> |
|---|

## Supported housing of registered providers

68. At the moment supported housing provided by registered providers and registered social landlords is included within the more generous supported

<sup>4</sup> <http://odi.dwp.gov.uk/docs/wor/ind/ilr-executive-report.pdf>

housing rules in Housing Benefit. However, we are told, and research<sup>5</sup> confirms, that many local authorities treat these providers' supported housing in the same way as they do their mainstream social housing.

69. The rent levels of mainstream social housing provided by registered providers and registered social landlords are kept below that of market rents and, generally, Housing Benefit meets these rents in full. If a local authority thinks a rent is unreasonably high, it can ask the rent officer for a valuation. In practice rents are rarely referred in this way.
70. What we propose is to treat supported housing provided by registered providers and registered social landlords in the same way, for Housing Benefit purposes, as their mainstream social sector housing. This is what already happens in practice. We will merely regularise what already happens.
71. This will mean that these tenancies will have their Housing Benefit based on their contractual rent, less any ineligible services. Where these tenancies are referred to the rent officer for a decision, the amount of the eligible rent would be restricted to what the rent officer decides is a reasonable rent for the property. A rent restriction is rare in practice.
72. We will need to consider a number of issues relating to rent referrals. For example, if we were to continue to rely on the Rent Officer in these limited number of cases we could insist that they take account of a broad range of supported housing across all housing sectors in making their valuation and they may have to look at wider areas than are currently used.
73. Another area we want to consider is the level of service charges in this sector. Over recent years local authorities have raised concerns over the level of increases in the service charges of these providers. Rent levels in the social rented sector are regulated, but this is not the same for their service charges where guidance is provided. Our research has shown some evidence that service charges have begun to rise for Registered Social Landlords and Registered Providers, although overall rents still tend to be lower than for other providers.
74. We aim to support service charges at a level adequate to meet the running costs of supported housing, but to ensure these charges are limited to genuine housing related costs. We intend to review how these rules work in association with the Department for Communities and Local Government and their Scottish and Welsh counterparts.

---

<sup>5</sup> Link to research:  
<http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep714.pdf>

- 13. Should the supported housing of registered providers and social landlords be treated in the same way, for Housing Benefit purposes, as their mainstream housing?**
- 14. What do you think of the proposed categorisation of supported housing; is there a sound basis for treating these three types of supported housing differently?** (registered providers, those who can be identified by their accommodation type and those with more intense, individual needs)
- 15. Is the process of rent-officer referral sufficient to ensure that only 'reasonable' supported accommodation costs are met in the registered provider sector? Are there ways in which the rent referral process could be improved?**

## **Transitional arrangements**

75. We recognise that we need to carefully consider how any new scheme should be introduced as well as how we should manage any transition.

- 16. How do you think the new rules should be introduced?**

## Duration of the consultation

76. The consultation period begins on 19<sup>th</sup> July 2011 and runs until 9<sup>th</sup> October 2011.

## Consultation arrangements

77. Please send your consultation responses to:

Housing Benefit Team (Supported housing consultation)  
Department for Work and Pensions  
1st Floor, Caxton House  
Tothill Street  
London SW1H 9NA

E mail: [HB.supportedhousing@dwp.gsi.gov.uk](mailto:HB.supportedhousing@dwp.gsi.gov.uk)

78. Please ensure your response reaches us by 9<sup>th</sup> October 2011. Please say whether you are responding as an individual, or on behalf of an organisation. If on behalf of an organisation, please make clear who the organisation represents, and how the views of members were obtained.

79. If you have any queries about this consultation, or would like to receive the consultation document in a particular format, for example, large print, Braille, audio, please contact:

Dave Jones  
Department for Work and Pensions  
1st Floor, Caxton House  
Tothill Street  
London SW1H 9NA  
E mail: [Dave.Jones@dwp.gsi.gov.uk](mailto:Dave.Jones@dwp.gsi.gov.uk)

80. We have notified this consultation to a large number of people and organisations who have already been involved in this work or who have expressed an interest in it. Please share this document with, or tell us about, anyone you think will want to be involved in this consultation.

## Northern Ireland

81. Social Security is a devolved matter in Northern Ireland. The Government will continue to work closely with the devolved administration in Northern Ireland to seek to maintain a single system across the United Kingdom.

## Freedom of information

82. The information you send us may need to be passed to colleagues within the Department for Work and Pensions, published in a summary of responses received and referred to in the published consultation report.
83. All information contained in your response may be subject to publication or disclosure if requested under the Freedom of Information Act 2000. By providing personal information for the purposes of the public consultation exercise, it is understood that you consent to its disclosure and publication. If this is not the case, you should limit any personal information provided, or remove it completely. If you want the information in your response to the consultation to be kept confidential, you should explain why as part of your response, although we cannot guarantee to do this.
84. More information about the Freedom of Information Act can be found on the Ministry of Justice website: [Ministry of Justice: FoI Guidance](#)

## The consultation criteria

85. The consultation is being conducted in line with the [Government Code of Practice on Consultation](#) and its seven consultation criteria:
- **When to Consult.** Formal consultation should take place at a stage when there is scope to influence the outcome.
  - **Duration of consultation exercises.** Consultations should normally last for at least 12 weeks, with consideration given to longer timescales where feasible and sensible.
  - **Clarity of scope and impact.** Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence, and the expected costs and benefits of the proposals.
  - **Accessibility of consultation exercises.** Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is designed to reach.
  - **The burden of consultation.** Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.
  - **Responsiveness of consultation exercises.** Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.
  - **Capacity to consult.** Officials running consultation exercises should seek guidance in how to run an effective consultation exercise, and share what they have learned from the experience.

## Feedback on this consultation

86. We value your feedback on how well we consult. If you have any comments on the process of this consultation, for example, how it could be improved, but not about the issues raised, please contact our Consultation Coordinator:

[Roger Pugh](#)

DWP Consultation Coordinator

1st floor, Crown House

2, Ferensway, Hull HU2 8NF

[roger.pugh@dwp.gsi.gov.uk](mailto:roger.pugh@dwp.gsi.gov.uk)

87. In particular, please tell us if you feel that the consultation does not satisfy the Government Code of Practice on Consultation, or if you have any suggestions about how our consultation process could be improved further.

# Consultation questions

We want your views on the issues discussed in this consultation. This is a list of questions which we would particularly like your views on.

## Conventional supported housing

- Question 1. What types of supported housing are available and how do you suggest they should be identified and grouped?
- Question 2. Should there be different geographical rates for each type of mainstream supported housing, such as hostels, sheltered housing or refuges or should a single rate be applied?
- Question 3. What types of additional activities or resources are typical of supported housing and how should these be quantified into a weekly amount per unit?
- Question 4. Should an amount for the additional help be worked out using a flat rate addition representing typical additional costs or should a different method be used? Please tell us what you think are the advantages of your preferred option.

## Specialist individual housing

- Question 5. What types of supported housing would fall into this group and how do you suggest they should be identified?
- Question 6. What types of higher housing costs are typical of this type of supported housing that are over and above adaptations or specialist equipment, which have funding sources elsewhere and how should these be quantified?
- Question 7. Would the additional help for those with very individual housing needs be better met from separate funding administered by local authorities, expert in providing housing and/or care in the community?
- Question 8. Which tier of local government should have responsibility for deciding how extra help should be allocated? And, which department within a local authority do you think is best placed to manage the allocation of this funding?
- Question 9. Should a different method be used? If so please explain.
- Question 10. How can funding be made sufficiently flexible to changing caseloads and demands without being unlimited or increasing unit costs compared to the existing system?

## Wider reform

Question 11. Is there a case for considering housing costs more fundamentally within a wider context by having the additional costs associated with supported housing taken out of Housing Benefit altogether and administered locally in the same way as *Personal Budgets*?

Question 12. Would this sort of approach only be appropriate for those that live in more specialised or adapted properties?

## Supported housing of registered providers and social landlords

Question 13. Should the supported housing of registered providers be treated in the same way, for Housing Benefit purposes, as their mainstream housing?

Question 14. What do you think of the proposed categorisation of supported housing; is there a sound basis for treating these three types of supported housing differently? (registered providers, those who can be identified by their accommodation type and those with more intense, individual needs)

Question 15. Is the process of rent-officer referral sufficient to ensure that only 'reasonable' supported accommodation costs are met in the registered provider sector? Are there ways in which the rent referral process could be improved?

## Transitional arrangements

Question 16. How do you think the new rules should be introduced?

# Glossary of terms

**Eligible rent** – the amount of a person’s actual rent and service charges for which help is given through Housing Benefit

**Exempt accommodation** – homes where the landlord is a housing association, registered charity, voluntary organisation or county council which also provides the care, support or supervision needed by their tenant.

**Extra Care Housing (also known as very sheltered housing)** - specialist housing for older people where care services are provided or facilitated.

**Foyers** – affordable and safe supported housing linked to employment and training opportunities often with a range of other services.

**Local Housing Allowance** – introduced nationally in April 2008 it works out the eligible rent for private sector tenants using published rates decided by the number of bedrooms the household needs.

**Local Reference Rent** – introduced in January 1996 this is used in working out the eligible rent for private sector tenants and is a rent officer valuation for a suitably sized home in the broad local rental market.

**Maximum rent** - introduced in January 1996 this decides the eligible rent for private sector tenants and is the lowest of a series of rent officer valuations

**Personal Budgets** - cash payments given to service users in place of community care services they have been assessed as needing and are intended to give users greater choice in their care.

**Personal Care** – assistance with day to day care such as personal hygiene that is usually assessed and provided through the local social services.

**Registered providers** – these are landlords in England that are registered with the Tenant Services Authority because they provide social housing.

**Registered Social Landlords** – these are landlords that are registered with either Welsh Assembly or, in Scotland, the Scottish Housing Regulator as providers of social housing.

**Sheltered housing** – this is commonly accepted as being a collective type of individual housing that provides for a degree of oversight and support to be provided.

**Supported accommodation** – usually purpose built housing where individual tenants can be supported to live independently in the community.

**Supporting People** - housing related support services offered by local authorities that enable vulnerable and disabled people live independently.

# Appendix A

## Examples of how the Housing Benefit is worked out for those in exempt accommodation

All figures are weekly. All examples relate to claimants who are entitled to the maximum Housing Benefit with no deductions for income or non-dependants. These examples all relate to exempt accommodation that is not provided by a registered provider or registered social landlord.

### Example 1

HB covers rent (less ineligible services) in full, despite being higher than the rent officer valuation.

Contractual Rent	£126.52
Ineligible Services	£12.50
<b>Contractual Rent minus ineligible services</b>	<b>£114.02</b>
Rent officer valuation	£85.00
Eligible Rent	£114.02
<b>Housing Benefit entitlement</b>	<b>£114.02</b>

Rent of £126.52 is met as follows:		
Claimant	LA	DWP
£12.50 (Ineligible services) + Nil (Rent)	40% <sup>6</sup> of (£114.02 - £85.00)	£85.00 + 60% of (£114.02 - £85.00)
= £12.50	= £11.61	= £102.41

<sup>6</sup> DWP pay subsidy on local authority Housing Benefit expenditure at 60% on the amount by which the eligible rent exceeds to the rent officer valuation and at 100% on the remainder.

**Example 2**

HB covers most of the rent (less ineligible services), but is restricted due to rents charged for comparable properties in the area, and it is considered reasonable for the claimant to move.

Contractual Rent	£245.29
Ineligible Services	£2.00
Contractual Rent minus ineligible services	£243.29
Rent officer valuation	£80.00
Eligible Rent restricted to that of suitable alternatives	£206.40
Housing Benefit entitlement	£206.40

Rent of £245.29 is met as follows:		
Claimant	LA	DWP
£2.00 (Ineligible services) + (£243.29 – £206.40) (Rent) = £38.89	40% of (£206.40 - £80.00) = £50.56	£80.00 + 60% of (£206.40 - £80.00) = £155.84

**Example 3**

HB covers rent in full, despite being higher than the Rent officer valuation.

Contractual Rent	£112.08
Ineligible Services	Nil
Contractual Rent minus ineligible services	£112.08
Rent officer valuation	£80.00
Eligible Rent	£112.08
Housing Benefit entitlement	£112.08

Rent of £112.08 is met as follows:		
Claimant	LA	DWP
Nil (Ineligible services)	40% of	£80.00 +
+ Nil (Rent)	(£112.08 - £80.00)	60% of
= £Nil	= £12.83	(£112.08 - £80.00)
		= £99.25

**Example 4**

HB covers rent in full.

Contractual Rent	£75.00
Ineligible Services	Nil
Contractual Rent minus ineligible services	£75.00
Rent officer valuation	£75.00
Eligible Rent	£75.00
Housing Benefit entitlement	£75.00

Rent of £75.00 is met as follows:		
Claimant	LA	DWP
Nil (Ineligible services) + Nil (Rent)	Nil	£75.00
= £Nil	= £Nil	= £75.00

**Example 5**

HB covers rent (less ineligible services) in full.

Contractual Rent	£111.47
Ineligible Services	£5.00
Contractual Rent minus ineligible services	£106.47
Rent officer valuation	£106.47
Eligible Rent	£106.47
Housing Benefit entitlement	£106.47

Rent of £111.47 is met as follows:		
Claimant	LA	DWP
£5.00 (Ineligible services)	Nil	£106.47
+ Nil (Rent)		
= £5.00	= £Nil	= £106.47

**Example 6**

HB covers most of the rent, but is restricted to the level of the Rent officer valuation. This is due to rents charged for comparable properties in the area, and because it is considered reasonable for the claimant to move.

Contractual Rent	£103.85
Ineligible Services	Nil
Contractual Rent minus ineligible services	£103.85
Rent officer valuation	£98.08
Eligible Rent	£98.08
Housing Benefit entitlement	£98.08

Rent of £103.85 is met as follows:		
Claimant	LA	DWP
Nil (Ineligible services)	Nil	£98.08
+ (£103.85-£98.08) (Rent)		
= £5.77	= £Nil	= £98.08



information & publishing solutions

Published by TSO (The Stationery Office)  
and available from:

**Online**

**[www.tsoshop.co.uk](http://www.tsoshop.co.uk)**

**Mail, telephone fax and email**

TSO  
PO Box 29, Norwich, NR3 1GN  
Telephone orders/General enquiries  
0870 600 5522  
Order through the Parliamentary Hotline  
Lo-Call 0845 7 023474  
Fax orders: 0870 600 5533  
Email: [customer.services@tso.co.uk](mailto:customer.services@tso.co.uk)  
Textphone: 0870 240 3701

**The Parliamentary Bookshop**

12 Bridge Street, Parliament Square,  
London SW1A 2JX  
Telephone orders/general enquiries:  
020 7219 3890  
Fax orders: 020 7219 3866  
Email: [bookshop@parliament.uk](mailto:bookshop@parliament.uk)  
Internet: <http://www.bookshop.parliament.uk>

**TSO@Blackwell and other Accredited Agents**

**Customers can also order publications from:**

TSO Ireland  
16 Arthur Street, Belfast BT1 4GD  
Telephone orders/general enquiries:  
028 9023 8451  
Fax orders: 028 9023 5401

This publication can be accessed online at:  
**[www.dwp.gov.uk/consultations/2011/supported-housing.shtml](http://www.dwp.gov.uk/consultations/2011/supported-housing.shtml)**

For more information about this publication,  
contact:

**Housing Benefit Team  
(Supported housing consultation)  
Department for Work and Pensions  
6th Floor  
Caxton House  
Tothill Street  
London, SW1H 9NA**

**E mail: [HB.supportedhousing@dwp.gsi.gov.uk](mailto:HB.supportedhousing@dwp.gsi.gov.uk)**

Copies of this publication can be made available in  
alternative formats if required.

Department for Work and Pensions

July 2011

**[www.dwp.gov.uk](http://www.dwp.gov.uk)**

ISBN 978-0-10-181522-2



9 780101 815222