



Supported accommodation review: The scale, scope and cost of the supported housing sector

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What is ‘supported housing’?

‘Supported housing’ can be described as any housing scheme where housing, support and sometimes care services are provided to help people to live as independently as possible in the community¹.

Supported housing users include those who would otherwise be homeless (including those at risk of domestic abuse); older people and people with disabilities (many of whom would otherwise be living in long-term care or hospital settings).

Context to this review

From 2003, the support component of supported housing was funded by local authorities through the Supporting People programme. In 2009 the ring fence around this budget was removed in England and in Scotland, but retained in Wales. Data about the scale and scope of the sector has not been collected systematically since then in England and Scotland.

The roll-out of Universal Credit, which will encompass housing costs, means that the Housing Benefit system will be phased out over the next few years for working-age claimants. A robust evidence base is now required to inform

future policy making in relation to supported housing.

Methods used

Ipsos MORI Social Research Institute, Imogen Blood & Associates and Housing & Support Partnership were commissioned by the Department for Work and Pensions (DWP) and the Department for Communities and Local Government (DCLG) to undertake an evidence review regarding the scale, scope and cost of supported housing across Great Britain. Research questions also included understanding how supported housing is being commissioned and monitored.

The methodology for this review was developed following extensive scoping in 2015 and included four strands, each drawing on significant sector involvement:

- A survey of all local authority Housing Benefit teams and commissioners of supported housing, to which 197 local authorities responded;
- A survey of supported housing providers, receiving a total of 173 responses;
- Qualitative research involving over 200 participants across Great Britain including 54 in-depth interviews and discussion groups with 150 participants including commissioners, providers and sector bodies; and

¹ ‘What is supported housing?’ at <http://www.sitra.org/about-us/what-is-supported-housing/>

- Validation and calibration of primary survey data with existing data (including from Continuous Recording of Letting and Sales in Social Housing in England (CORE); Elderly Accommodation Counsel and UK Refuges Online among others).

Even with significant sector involvement, the review has encountered considerable challenges in relation to the complexity of the sector, data availability, sampling and levels of response, commented on further throughout the full report. For example, there is considerable variation in the coverage and scope of existing data sources across the nations and challenges associated with collecting primary data evidence. However, in combination, these sources have been used to produce best estimates for a snapshot of the supported housing sector at the end of 2015. The qualitative research is not designed to generate statistically representative views across the supported housing sector, but rather has been designed to provide detailed and explanatory insights.

How much supported housing is there? Which groups of people live in it and which organisations provide it?

Within the supported housing sector there is considerable diversity in the types of providers, scheme characteristics, client groups and models.

The review **estimates** that at the end of 2015, there were approximately 651,500 accommodation-based supported housing units² in Great Britain, the majority of which (85 per cent) are in England, with nine per cent in Scotland and six per cent in Wales, broadly in line with the profile of broader dwelling stock estimates across the nations.

An **estimated** 71 per cent of units across Great Britain house older people and, across both working-age and older people's provision, housing associations are the most prevalent landlords, providing an **estimated** 71 per cent of all supported housing units. The review **estimates** that supported housing accounts for around 14 per cent of all social rented housing stock across Great Britain.

Specified accommodation

Definitions of supported housing based on Housing Benefit regulations are complex. The majority of people living in supported housing, both working-age and older people, are receiving Housing Benefit to help meet their eligible housing costs. A minority of users will not be eligible for Housing Benefit, typically because their assets or immigration status means they are not eligible.

In 2014 the Government amended Housing Benefit legislation to clarify which categories of supported accommodation (referred to as specified accommodation) should be exempt from certain welfare changes, such as the Benefit Cap, Housing Benefit no longer being paid direct to the landlord, and in some circumstances the Removal of the Spare Room Subsidy (RSRS). This ensures that individuals living in such supported housing continue to have their housing costs covered by Housing Benefit, rather than through Universal Credit.

The review estimates that approximately 40 per cent of all supported housing units were classified as specified accommodation at the end of 2015. There is a higher proportion of specified accommodation in England (43 per cent of all English supported housing units) compared to Scotland (22 per cent) and Wales (18 per cent). The majority (60 per cent) of those in specified accommodation are of working age.

² For the purpose of this review, a unit refers to either a room or bedspace in shared supported housing or a self-contained supported housing unit.

How much does supported housing cost?

The review **estimates** the annualised cost of the supported housing sector that is covered by Housing Benefit across Great Britain at the end of 2015 at £4.12bn, approximately 17 per cent of total Housing Benefit spend. Across the country, average estimated Housing Benefit awards for those in specified accommodation, a sub-set of the total supported housing sector, are consistently lower for older people and higher for those of working age. The overall average weekly Housing Benefit award for older claimants in specified accommodation is estimated to be £137 per week compared to £173 per week for working-age claimants in specified accommodation. The review found that, in each nation, the level of Housing Benefit expenditure is broadly proportionate to the scale of the supported housing sector, however:

- The relative Housing Benefit spend on working-age provision across Great Britain is greater than that on older people's provision. Working age provision accounts for an **estimated** 42 per cent of total Housing Benefit spend and 29 per cent of the total **estimated** supported housing stock; and
- The relative Housing Benefit spend on supported housing classified as specified accommodation is greater than that not classified as specified accommodation. It is **estimated** that specified accommodation accounts for 52 per cent of total Housing Benefit spend, and around 40 per cent of the total **estimated** stock of supported housing.

Recent analysis conducted by the Homes and Communities Agency³ has demonstrated that average unit costs in supported housing tend to be significantly higher than those in general needs housing. Survey and qualitative data from this review confirm that there are a number of reasons for this, including: higher maintenance, repairs and renewal costs; the provision of communal facilities; security, health and safety measures; higher housing management costs; and the nature of capital funding arrangements for some schemes.

The review also conservatively **estimates** that the additional annualised spend on support and care services (that is in addition to Housing Benefit spend) at the end of 2015 is around £2.05bn across Great Britain.

How is supported housing being commissioned, regulated, monitored?

The review identified significant diversification in the way in which local authorities commission supported housing. Since the removal of the ring fence around Supporting People funding in 2009, there is evidence⁴ of decreasing funding for support costs in supported housing (particularly in England) from local authorities.

The regulatory approaches to supported housing are most comprehensive in Scotland in particular and in Wales. The regulatory arrangements in England are less comprehensive relative to Scotland and Wales.

³ Homes and Communities Agency (2016) Delivering Better Value for Money: Understanding Differences in Unit Costs, Summary Report, HCA, June 2016.

⁴ Impact of funding reductions on local authorities published by the National Audit Office (2014).

Qualitative evidence suggests that commissioners and providers have adopted a variety of approaches to demonstrating the value for money and quality of supported housing services. There is also evidence of the wider value for money provided by supported housing.

Key messages from the supported housing sector

Research participants said that the potential impact on supported housing of the Local Housing Allowance cap would be significant and would be likely to result in supported housing schemes closing; supported housing schemes being decommissioned or converted to general needs housing; and a lack of investment in new supported housing in the future.

Research participants identified considerations for long-term stability for the supported housing sector, including:

- A clear but flexible definition of supported housing, which focuses on users and outcomes, rather than provider type and housing model;

- A stable and secure funding system for both housing and support costs that allows commissioners and providers to plan strategically and with certainty;
- A stronger role for broad local partnerships to coordinate the funding, strategy and delivery of supported housing alongside the integration of health and social care and other local preventative initiatives;
- A more consistent approach to regulating supported housing and monitoring quality and value for money, especially in England; and
- A well-planned and communicated transition process to any new funding system.

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You can download the full report free from: <https://www.gov.uk/government/organisations/department-for-work-pensions/about/research#research-publications>

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