Submission

The Commission on Funding of Care and Support

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Submission from the National Housing Federation

The Commission on Funding of Care and Support has issued a call to evidence to inform its review. The National Housing Federation welcomes this valuable opportunity to ensure that housing, care and support is considered as part of the Commission’s vital work.

1.0 Executive summary

In this submission, the Federation argues that:

- A single funding system which encompasses the provision of both care and support – rather than operating separately - is helpful in ensuring fair, transparent and effective funding arrangements.
- A consistent, long term planned approach to funding care and support is needed. The funding model should ensure both contributions from those who are able to and protection for those who cannot.
- Cuts to programmes such as Supporting People could mean local authorities concentrate funding on the most critical cases, putting at risk the Commission’s aim to maintain a focus on prevention.
- The ability of the new housing investment framework to continue to deliver specialist and supported housing could impact on the demand for care and support services.
- In addition to recognising the growing needs of older people, a set of needs should be considered to ensure that provision for socially excluded people are adequately addressed in a new funding system.
- A more detailed examination should be undertaken of the potential for housing equity to fund care and support services in a planned way.
- It is important that emerging new models for funding voluntary and community sector services are considered as part of the equation.

2.0 Background

The National Housing Federation represents 1,200 independent, not for profit social housing providers in England. Our members include housing associations, co-ops, trusts and stock transfer organisations. Together they own and manage more than 2.5 million homes for around 5 million people.

Around 700 of our members deliver housing care and support services to some of the most vulnerable people in society. Housing associations and their partners provide care services in people’s homes and in the community. In addition, housing related support helps vulnerable people to become able to live independently in their own home. Services can include:

- Help in setting up and looking after a home or tenancy
- Help in establishing personal safety and security
- Support staff based in sheltered or supported accommodation
Advice and help in arranging for repairs or home improvements to be done
- Learning domestic and living skills
- Help in managing your money and claiming benefits
- Developing social skills or behaviour management
- Help in staying healthy and in accessing health services.

The Federation’s members work with a range of vulnerable people, including homeless people, women fleeing domestic violence, people with learning disabilities, people with mental health problems, older people and a range of other client groups.

The Commission has recognised in its scope the role played by housing care and support and the importance of preventative interventions. The Federation welcomes this recognition as new funding arrangements are explored. There is a widely held view amongst providers of housing related support that the current system of care and support needs to change. This submission explores why there is a need for change, and offers some suggestions as a new system takes shape.

3.0 Housing and support: value for money

A single funding system which integrates across housing related support and care services would have the potential to preserve the considerable benefits and cost savings associated with housing related support and care services. These are described below.

3.1 Housing related support

Housing related support and care services play a significant role in helping to meet health and social care outcomes. Settled accommodation and support offers the potential for real cost savings by effectively meeting the needs of vulnerable people and connecting them with the services they need. Housing associations and support providers deliver preventative services which can intervene early, engage people and provide the right packages of support to meet their needs before their problems escalate and become more severe. By promoting independence, improving people’s health and avoiding the need for more acute care services, the housing sector delivers cost effective, good value for money support.

**Endeavour Housing Association, Hestia Project:** Endeavour developed the Hestia project to provide settled accommodation and support for women with multiple and complex needs, including drug and alcohol addictions, mental health problems and repeat offending. Together, Endeavour, the health trust, police and probation services identified this group as falling between the cracks of statutory services and re-presenting at acute services with increasingly complex needs. The project consists of 10 properties with a linked support package to help the residents live as independently as possible and engage with education, training and work. A co-ordinator links all the statutory agencies involved to help deliver tailored support to each resident. The
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project, which was evaluated by DH efficiency teams, has reported reduced admissions to hospital and a reduction in offending behaviour. Annual savings to social services, health and local authority housing services are estimated at £12,000 per client.

The cost benefits of these services are well documented, and the Government’s own analysis shows that a £1.6bn annual investment in housing related support services leads to cost savings of £3.41bn to the public purse. This includes avoiding £315.2 million health and social care costs in a year.¹

For these reasons, the Federation is pleased to see that the Department of Health’s (DH) draft Transparency in outcomes: a framework for adult social care includes indicators which help to measure the role played by housing in meeting social care outcomes. For example, it includes the number of people with learning disabilities and the number of people with mental health problems who are in settled accommodation. This is a helpful step in embedding the preventative role which housing plays. The Commission should also reflect this need for read-across in its review.

3.2 The role of supported and specialist housing

Supported and specialist housing covers a wide variety of types of shared or self-contained accommodation that has care and support services linked to it. For certain client groups in certain situations this can offer the most effective intervention, by providing closer supervision and security, specialist support or adaptations, twenty-four hour support and an emphasis on community living and the development of social networks or access to other services.

Festival Housing Group: The Rose Garden, Hereford

This Extra Care housing development is located on the site of a former local authority nursery close to Hereford city centre. It comprises 91 self-contained one and two-bedroom flats centred round a range of social and leisure facilities, designed to support independence and wellbeing for older people.

The scheme is a partnership between Herefordshire Council, Hereford Primary Care Trust, Festival Housing Group and The Extra Care Charitable Trust. It promotes a way of life that gives choice and opportunity for all those who live there; with on-site facilities to include a restaurant and bar, fitness gym, wellbeing centre, library, shop, computer suite, hair and beauty salon, greenhouse, art and craft studio and woodwork room. Activities are organised by the residents with the support of a village activity co-ordinator.

The quality of provision at Rose Garden matches private sector provision for this type of scheme while providing access to extra care for people who would not

¹ Cap Gemini, Research into the financial benefits of the Supporting People programme, CLG, 2009
otherwise be able to afford it and in so doing frees up affordable housing units in
the county. One of the perceived benefits of this sort of provision is that it can
provide a setting in which the needs of older people with dementia, and the
increasing numbers of people with learning disabilities who would require such
care, are addressed.

Local health and social care commissioners believe that this Extra Care provision
is a good setting in which to provide such care and that it delivers better quality of
life than more institutional forms of provision.

Supported housing delivers savings by bringing support together in one place,
making help easily accessible and reducing the need for vulnerable people to use
more costly health and care services. This includes a reduction in the use of
social care services amongst people with learning disabilities, for example.
Government-supported research shows that investment in specialist housing
results in a net cost benefit to the public purse, equating to £938 per person per
year or £639 million overall in a year\(^2\). Again, by drawing together different
sectors in the scope of its recommendations, the Commission can ensure that
resources are maximised.

4.0 Question one: do you agree with the Commission’s description of the main opportunities and
challenges facing the future funding of care and support?

The Federation agrees with the Commission’s broad description of the
opportunities and challenges faced. The Commission may wish to refer to the
Federation’s 2010 report on older people’s housing related support and care
services, which gives a full overview of the current and future picture for this
key group.\(^3\) However, it is vital that the commission also notes how the current
and future environment for housing and support could have a significant
impact on funding arrangements. This is described below in point 4.3.

4.1 Changing care needs

It is important to consider the current picture of care and support needs, and
the future needs of the population. While it is difficult to project exactly what
future need will look like, some good work has been done to understand
people’s needs.

\(^2\) Frontier Economics, *Financial benefits of investment in specialist housing for vulnerable and older people*, Homes &
Communities Agency (2010)

\(^3\) National Housing Federation, *In Your Lifetime* (2010)
Research by HGO estimates that there is currently an unmet need of 146,359 units of housing related support across all older and vulnerable client groups – and this is expected to rise to 386,309 in 2019. This includes 38,000 units for socially excluded people for example (and an estimated 43,251 in 2019).4

When it comes to older people in particular, we know that over two thirds of people over 85 in the UK have a disability or limiting long-standing illness, expected to rise to 5.5 million in 2025.5 And the number of people over 85 in the UK is predicted to double in the next 25 years and to treble in the next 35.6

4.2 Changing wealth and assets

In considering people’s changing wealth and assets, as outlined in the Commission’s description of future challenges and opportunities, thought should also be given to shifts in people’s lifestyle, their attitude to work, and their concerns over funding for their own care and support.

A recent National Housing Federation poll showed that 73% of people between 60 and 65 plan to work between 1 and 7 years past retirement – and that 75% of women between 60 and 65 who plan to work past retirement age are doing so because they can’t afford to retire. The poll also found that 49% of people between 60 and 65 were concerned about potentially having to sell their home to pay for care when they are older.7

4.3 Risks to the focus on prevention

The Commission’s aim of maintaining a focus on prevention is very welcome, but the Federation believes that this is in danger of being lost as public spending cuts take hold. The scale of the impact of cuts strengthens the case for a consistent, long term planned approach to funding care and support, with contributions from those who are able to do so.

4.3.1 Risks to housing care and support provision

Housing associations that provide care and support services for vulnerable people are facing the most challenging environment for years. The Supporting People (SP) programme, which funds housing related support services for over a million vulnerable people at any one time, is being cut by up to 67% in some areas. This will inevitably have a major impact on the delivery of preventative, cost effective housing and support services.

4 HGO, National estimation exercise for housing related support services (2010)
5 POPPI data, from Office for National Statistics (ONS) 2001 Census, Standard Tables, Table S016 sex and age by general health and limiting long-term illness
6 ONS, National population projections (2008)
7 National Housing Federation, Breaking the Mould: Re-visioning older people’s housing, (to be published February 2011)
The Chancellor announced a 12% cut to the money allocated to Supporting People in October’s spending review. However the money is no longer ring-fenced and councils are free to spend it on whichever service areas they consider to be a priority. This is already leading to big cuts to Supporting People services and putting the delivery of schemes at risk. In a recent survey of housing related support providers, the Federation has found that 73% of providers have been warned by their local authority to expect disproportionate funding cuts to services which provide support, housing and advice to some of the most vulnerable people in their community. In some circumstances whole services are facing closure.  

In many cases, the long-term financial costs of cutting these services will outweigh any short-term savings made, as demands on health, social care and a range of other areas such as policing increase as a result of cuts. The Federation is concerned that councils facing very difficult spending decisions may be forced to concentrate their care funding on the most critical cases, to the detriment of preventative and non-statutory services. This can result in a ‘cliff-edge’ of care, where people do not receive services until their needs have escalated, they are at risk, and their independence and quality of life is adversely affected.

4.3.2 Availability of appropriate housing

The availability of appropriate housing for vulnerable people plays an important part in the care and support equation – and specialist housing has a particular contribution to make as outlined above in point 3.2.

The Federation is concerned that uncertainty exists when it comes to the ongoing availability of this key type of housing. Firstly, questions remain over how specialist housing for vulnerable groups will continue to be delivered under the Government’s proposed new revenue-based housing investment framework. For example, how can a market rent be determined when there are no clear open market rent equivalents? Specialist design features mean that supported accommodation often has a higher development cost – how broadly will value for money considerations be applied in the housing investment framework?  

Secondly, as they stand, reforms to the Housing Benefit system will have a negative impact on supported housing, as with general needs social housing. The Federation is concerned that 10 percent deductions from Housing Benefit after people have been receiving Jobseekers’ Allowance for a year will not leave people with enough to meet their basic costs. Forcing vulnerable people to contribute 10% of their housing costs after a year is not going simply to lead to their employment. In fact it may compound the health difficulties people face and push them further from the job market. For many vulnerable people these proposals are also adding to their stress and anxiety levels as we have witnessed from the calls we have received at the National Housing Federation from disabled

9 National Housing Federation, Radical reform: real flexibility – delivering the new investment framework (2011)
people and their relatives worried about the impact of benefit changes on their future.

Supported housing with a high number of vulnerable tenants will be particularly adversely affected, especially as people who were on Incapacity Benefit are migrated to JSA. These reforms are likely to make it harder to find accommodation for vulnerable people to move people on to.  

**St Mungo’s Housing Association**

St Mungo's Housing Association, the largest provider of homeless accommodation for single people in London, estimated that within its current tenant population 26% (383) are on Jobseeker’s Allowance and 24% (351) have been on Jobseeker’s Allowance for over 12 months. On the basis of these numbers they estimated the economic impact of the policy on those homeless people who have been on Jobseeker’s Allowance for over 12 months.

St Mungo’s clients would collectively need to find an extra £287,000 per annum. This equates to £820 per client per year or £15.80 per week. Based on the weekly Jobseeker’s Allowance for people over 25, St Mungo’s clients would need to spend an additional 24% of their income on housing.

St Mungo’s reported that many people faced barriers to employment which could keep them out of work for over a year. For example:

23% have a significant medical condition.
51% have a mental health condition (diagnosed or suspected).
43% use alcohol problematically.
57% misuse prescribed drugs or use illicit drugs.

Of those whose education level is known, 34% had no qualifications.

We have yet to see how the full effect of these factors could impact on the demand for care and support services. However, the Commission should contemplate how a new funding arrangement for care and support might adapt to any increased pressure in the system.

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5.0 Question two: do you agree with the Commission’s description of the strengths of the current funding system, and its potential shortcomings? Do you think there are any gaps?

The full range of vulnerable client groups must be considered as part of the Commission’s vital work. The spotlight on the urgent need for a new funding system for older people’s care and support reflects significant demographic shifts, alongside changes in people’s care needs as they get older. It is vital that the Commission addresses the needs and funding options for this group. However, there are a broad range of people in addition to older people whose care and support needs must also be met by a reformed funding system.

The Federation proposes that an additional set of needs be introduced to the Commission’s review which adequately incorporates people who are socially excluded or who have multiple needs. As mentioned in the background section (above), this includes people with mental health problems, homeless people, women fleeing domestic violence, people at risk of offending, and young people. For example, people with mental health conditions are more likely to live in rented accommodation than to be owner occupiers, and housing problems are frequently cited as a reason for a person being admitted or re-admitted to inpatient mental health care.¹¹

5.1 The drive for personalisation

The drive for personalisation is giving people more choice and control over how their care and support services are delivered. The National Housing Federation agrees that any reforms to the funding of care and support should fully support personalisation. Many housing associations work to deliver personalised services where individuals have control and flexibility in meeting their care and support outcomes.

Look Ahead Housing and Care: Coventry Road pilot

The Coventry Road service in Tower Hamlets is a high-needs, mental health accommodation-based service that has self-contained flats for 20 clients. Clients have a range of complex needs including ongoing substance misuse, gambling addictions and forensic histories. There is a staff team of ten support workers, one manager and one deputy manager jointly funded by Supporting People and the PCT.

The purpose of the pilot, being run jointly by Look Ahead Housing and Care and London Borough of Tower Hamlets, is to trial a core and flexi model of personalised support services. The core refers to a fixed range of services required by all clients in order to run an accommodation-based service, while the flexi refers to individual support and a cash budget that enables the service to be more tailored to the needs, wishes and interests of the customer.

The pilot aims to:

¹¹ Johnson R, Griffiths C, Nottingham T, At home? Mental health issues arising in social housing (2006), NIMHE.
i) Develop a personalised model that increases choice and control for Coventry Road clients while also enabling staff to deliver safe and effective rehabilitation and recovery service

ii) Develop a personalised model that is cost effective and sustainable

iii) Create a body of learning that will assist other services to adopt personalisation and will inform commissioning approaches.

6.0 Question three: what are your suggestions for how the funding system should be reformed?

The funding system for care and support should embrace a long term planned approach, where those who are able to contribute do so, and where protection is in place for the least well off. Consistent funding should be made available for good quality care and support services for all.

6.1 A single system

The National Housing Federation believes that a single system for funding both care and support is helpful in ensuring fair, transparent and effective funding arrangements. The measure of effectiveness for a new funding package should be the extent to which well-connected care and support services are provided for.

A single system would also reflect the importance of integrating service delivery across health, social care, housing related support and beyond. Currently, there is a lack of collaborative working between sectors – for example only 20 out of 152 Primary Care Trusts (PCTs) are scoring well on the relevant indicator. Where collaboration works well, outcomes are shared, service provision is streamlined, and value for money is achieved.

The Commission’s recommendations should seek to ensure that national consistency is in place for care and support services. A framework of entitlements for care and support would allow for local flexibility and initiative, but would also make sure that people who use services know that they will receive the same level of service wherever they live. To be effective, national entitlements need to be backed by a funding system that recognises a range of needs and enables adequate funding of prevention services.

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12 National Housing Federation, Housing for health: worlds aligned (2010)
6.2 Maintaining a focus on prevention

It is more important than ever that care and support funding places an emphasis on services which help vulnerable people to maintain their independence and prevent the need for more acute interventions — so that the Commission’s goal of maintaining a focus on prevention is achieved. As described elsewhere in this submission, there is a danger that public spending cuts will put pressure on local authorities to focus their attention on those with the most critical needs. In giving prominence to the role of support services which maintain people’s health and independence, the Commission will need to strike a balance between universal and targeted services, and shifts in resources may be needed accordingly. Alongside this, more practical help will be needed for health and local authorities to deliver the core, preventative element of social care reform. This emphasis will improve care and support outcomes and help to save vital funds.

6.3 Housing equity

A more detailed examination should be given of the potential for housing equity to fund care and support services in a planned way, so that people have choice and control over services and where they live.

6.3.1 Housing choice and freeing up equity

Households of people over 65 collectively own around £500bn of unmortgaged property equity, while people aged over 50 account for 40 per cent of consumer spending, 60 per cent of UK total savings, and 80 per cent of the nation’s wealth. There are therefore sizeable numbers of people with money to spend on services to enable them to continue living independently, specialist older people’s housing, or more accessible and flexible housing sited within general housing. This will only happen if the offer is sufficiently attractive.

There is a need for both a specialist and a non-specialist offer to older people. The provision of well-designed, accessible housing, located in a desirable position with access to amenities, would be very attractive to people looking to move perhaps in their 60s, but still aspiring to live somewhere which is not necessarily labelled ‘older people’s’ housing.

6.3.2 Using equity to fund services

There are a great many different models of equity release available to older people, but many are inflexible and do not entirely meet people’s needs. Research by One Housing Group has shown that equity release is currently used to fund care and support for older people in only 1 per cent of cases, compared to 70 per cent of cases where it is used for home improvements or adaptations. Much more could be made of funding options for care and

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13 One Housing Group, Aspiration age: delivering capital solutions to promote greater choice and independence for older people (2009)
14 Ibid.
15 Ibid.
support services if an aspirational housing, care and support offer for older people is part of the care and support funding equation.

New business opportunities for associations to develop products in relation to privately owned accommodation include arrangements where associations provide repairs and adaptations, or care and support in exchange for acquiring equity stakes. Housing providers could acquire a share of property from older owners, repair them and operate like a shared ownership scheme. This is not just about people selling their homes outright to access money, but about looking at the broad range of options for using existing equity. For example, housing providers may wish to allow shared ownership residents to staircase down their owned share in order to release equity in tranches to fund care and support needs.¹⁶

6.4 New models for funding services

Emerging new models for funding voluntary and community sector services should be considered as part of the care and support equation. Instruments such as social impact bonds and family funded bonds can offer an additional option for levering investment in a range of organisations. A social impact bond is a contract with the public sector in which it commits to pay for improved social outcomes that result in public sector savings. The expected public sector savings can be used as a basis for raising investment for prevention and early intervention services that improve social outcomes. There is no fixed rate of return and repayment to investors is dependent upon specified social outcomes being achieved.

These kind of mechanisms do not replace publicly funded and accountable housing support services for those most in need, but they could be considered in the scope of the Commission’s work.

7.0 Supporting evidence

The National Housing Federation submits with this document the following evidence:

- National Housing Federation, *In your lifetime: a vision of housing, care and support for an ageing society* (2010)
- Department of Health Care Services Efficiency Delivery, *Support related housing: incorporating support related housing into your efficiency programme* (2009)

● Frontier Economics, *Financial benefits of investment in specialist housing for vulnerable and older people*, Homes and Communities Agency (2010)