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Housing Benefit Team (Supported Housing consultation)  
Department for Work and Pensions  
1<sup>st</sup> floor, Caxton House  
Tothill Street  
London SW1H

6<sup>th</sup> October 2011

Dear Sir/Madam

### **YMCA England response to consultation on Housing Benefit Reform – Supported Housing**

The YMCA is one of the largest voluntary sector providers of supported housing in the country with over 7,000 young men and women every night staying in YMCA accommodation. The YMCA was established in 1844 and there are 135 YMCAs across England serving over 250 different communities.

Following the publication of the Government's consultation, the YMCA national body, YMCA England, carried out a consultation on the proposals across all YMCAs. Their comments and feedback form the basis of this response.

#### **General comments**

YMCA England does not support the proposed changes as outlined in the consultation.

YMCAs believe strongly that rent support levels should be based principally on the level of need and this can vary significantly between the different types of supported accommodation. The proposals as they stand attempt to simplify something which is not simple and fail to recognise in its base premise that there can be significant differences in costs of safely and effectively managing supported housing depending on the client group being accommodated.

YMCA England feels that the consultation itself fails to properly understand what supported housing is and what it delivers. Throughout the consultation a number of generalisations about typical supported housing are made without any attempt to define what constitutes 'typical' nor reflect the wide diversity of provision within the sector.



The consultation fails to put into context the cost of supported housing benefit as part of the wider housing benefit bill. Of the total national housing benefit bill of £20 billion, it is estimated that supported housing benefit accounts for between £70-£130 million of this cost (3.5%-6.5%). Additionally, no recognition is given within the consultation to the preventative effect of supported housing and how on a longer term basis the positive impact of investing in this area can actually reduce costs.

The 'fixed rate' element of the proposals within the consultation will introduce a perverse incentive for providers to potentially focus on those individuals with the lowest housing management and security requirements (and therefore cheaper) rather than on those with more complex needs. Assuming that there is support for those with the highest need, there is ultimately a risk that a system emerges whereby those at the opposite ends of the spectrum in terms of need will be focussed upon, with a whole range in between left behind.

The following answers to the specific questions posed in the consultation document should therefore be considered in the context of these general statements. It should also be noted that the response of YMCA England focuses on those questions relating to 'conventional supported housing' and therefore answers are provided for questions 1, 2, 3, 4, 11, 12, 13, 14, 15 and 16.

### **1) What types of supported housing are available and how do you suggest they be identified and grouped?**

The consultation document argues that supported housing effectively falls into two main groups – conventional supported housing such as hostels, Foyers, refuges; and housing that supports people with more intensive levels of personal care and support (though the consultation paper does not seek to define this further).

Whilst not generally disagreeing with the second categorisation, YMCA England believes that the first category of conventional supported housing is too broad. This category brings together a wide range of supported accommodation, with potentially very different risk levels and therefore with very different costs. For example, some sheltered schemes may require low levels of support (a weekly visit and a link to an alarm service for emergencies) whilst a domestic violence refuge will require significantly more intensive levels of support. It stands to reason that where staff are required to be on hand 24/7 that this is going ultimately to attract higher costs than where they are not.

Therefore YMCA England argues that the category in the consultation entitled 'conventional supported housing' needs to be broken down further into more categories and should encompass the following factors:

- The 'risk level' required has to be the primary consideration. Does the type of supported accommodation typically have a low or more intensive risk assessment?



- The nature of the population within the housing accommodation should also be taken into account. Is the population largely static or is there considerable movement?
- In terms of grouping, YMCA England would also argue that distinction should be made between those providers who operate on a non-profit making basis and those that do not. The consultation paper does refer to a distinction between RSLs and non RSLs, but it is argued that this should be developed further to recognise voluntary groups and charities that are providing these services.

**2) 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?**

YMCA England would support different geographical rates being paid based on a fair and reasonable assessment of the varying levels of costs including comparable housing costs.

**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?**

There are five main additional activities/resourcing requirements that should be considered:

- Increased housing management staffing
- Increased security requirements
- Provision of communal space
- Increased capital and maintenance costs
- Other increased eligible service charges

As costs will vary from one supported housing scheme to another depending on a number of factors such as the physical condition and layout of the housing accommodation, YMCA England does not consider it credible to seek to quantify these additional costs into a standard weekly amount per unit.

**4) 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.**

A fixed rate method may seem the most logical approach but YMCA England urges that it cannot be the sole criteria for determining the amount paid for additional support.

There is a fundamental difference between providing additional services and providing the 'right' additional services. A system based solely on a fixed rate approach could potentially move the system further away from resourcing based



on need to one based predominantly on cost with an increase in levels of inadequate service provision.

For example, a supported housing scheme has determined that it requires three security staff to properly secure its premises and protect its residents. This determination has been reached after a proper needs assessment has been undertaken with a full analysis of potential risk. A fixed rate payment approach will mean that a provider will receive the same amount of resource whether they employ one or three security staff and therefore by default an incentive is introduced into the system to put in place the absolute minimum or inadequate provision as opposed to the right service provision.

A fixed rate approach would also impact disproportionately against smaller providers. Using the example above, the costs associated with a security member of staff are effectively fixed costs – i.e. their wages and associated costs remain the same whether they look after 10 or 40 housing units. Smaller housing schemes therefore through a fixed rate approach would have more issues in terms of funding key additional activities than larger housing schemes.

If the Government is minded to introduce a fixed rate approach it should also consider introducing alongside this supplement levels based on the level of service required to manage the project safely and effectively. YMCA England does recognise that such schemes can quickly become complex and costly to administer so would propose that any supplementary payments should be based on a simple criterion. In short, YMCA England would argue that these supplementary payments should be based on four key factors:

- The nature of the supported housing scheme and an assumed level of risk and associated support required to meet the needs of its residents (e.g. the level of support required would be assumed to be higher in a domestic violence refuge as opposed to a sheltered housing scheme). This would link back to YMCA England view in question 1 which argues that the category in the consultation paper 'conventional supported housing' needs to be broken down further to reflect the differing level of needs.
- Expected staff/resident ratios for different aspects of additional services for different types of supported housing should be set and these would need to be met in order to qualify for a supplement payment.
- The length of tenure of residents; recognising that accommodation with a higher short term turnover of residents does incur higher costs.
- YMCA England would also argue that an additional rate should also be paid for those providers working with under 18's to reflect the additional safeguarding responsibilities that come with working with young people who under the law are still classed as 'children'.



**11) 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 Personal Budgets?**

YMCA England would generally support the principle of Personal Budgets but believe that one of the key considerations of implementing them is recognising where they are appropriate and where they are not. YMCA England would have three main concerns around the implementation of Personal Budgets in this area.

Firstly, the Government would have to accept that should it decide to go down the path of Personal Budgets in this area then one of the potential end results would see the overall reduction in supported housing provision. It is simply not feasible to expect organisations to invest in developing supported housing schemes where a certainty around budgets and the development of services would have been compromised.

Secondly, many young people who access the YMCA do so at a chaotic and vulnerable time in their lives. Many have personal and social development issues and need significant physical and emotional support to help get their lives back on track. Ultimately the YMCA work with young people to develop the confidence for them to make the right choices in their lives and to feel that they can belong, contribute and thrive in their local community. The Government must consider carefully the risk that the introduction of Personal Budgets too early in this process may actually damage, not enhance, the development of that young person with resulting 'whole life' costs to society.

Finally, YMCA England would have severe reservations about moving to a new system which effectively delegates decisions down to local authorities to assess and implement Personal Budgets. The Government in the last local government finance settlement removed the ring fence from around Supporting People Funding and as a result a number of local authorities disproportionately cut the level of Supporting People Funding available. There would be great concern that any similar move through these proposals will see a significant increase in the number of perverse decisions taken by local authorities – designed primarily to protect their own budgets rather than with the needs of the individual.

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

This would largely depend on the nature of the service being delivered, but the principles outlined in the answer to question 11 would still apply.

**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?**



YMCA England does not object to this proposal. However, it would re-iterate its argument (as in the answer to question 1) that a further distinction should be made for providers who operate on a non-profit making basis but who are not a registered social landlord.

**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?**

The principle objections as laid out in the answer to the question 1 of the consultation paper still apply to this question. YMCA England believes categorisation should be largely guided by levels of need attached to supported accommodation, not necessarily by type of property or who may be delivering the service.

This consultation effectively attempts to merge into one categorisation different types of supported accommodation that would typically attract considerable differences in level of support (and hence cost) based on the needs of the residents. As this consultation seeks to introduce a fixed rate payment element, YMCA England will not support any categorisation methodology that fails to take into account these basic differences.

**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?**

The result of YMCA England's consultation with YMCAs on this question has shown that there is no demand for changes to be made to the present approach.

Any system that may be introduced should be locally based, not nationally prescriptive, and those considering the referrals should have the discretion to make decisions based on specific cases and local circumstances. There should also be a transparent appeals process included.

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

YMCA England believes that these proposals need to be considered again by the Government before it moves to their implementation.

Any changes that are to be introduced should be clearly communicated to enable organisations like the YMCA to properly assess the impact upon their service provision. A further opportunity for comment at this point should also be available.

Local authorities should also be required to share with individual providers in their area details of how any changes are likely to impact upon them. This should be undertaken at least 12 months in advance of any changes being made.



YMCA England would also argue that once any proposed changes are confirmed that a sufficient period of time (minimum of 12 months) be given before they are introduced to enable providers to adapt to the new arrangements. Transitional funding arrangements should also be put in place to accompany this.

YMCA England hopes that the Government will look carefully at these proposals once again before making a final decision in the matter. The YMCA would welcome the opportunity to explain its concerns further and to assist in developing more sustainable proposals that will meet the Government's aims whilst ensuring that the most vulnerable in our society are protected.

Yours faithfully



Ian Green  
Chief Executive

