

Subject: Supported Housing in London

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 5 July 2016

This report will be considered in public

1. Summary

- 1.1 This report sets out the background information for the discussion on supported housing in London at today's meeting.

2. Recommendations

- 2.1 **That the Committee notes the report as background to putting questions to the invited guests on supported housing in London, and notes the subsequent discussion.**
- 2.2 **That the Committee delegates authority to the Chair, in consultation with party Group Lead Members, to agree any output from the discussion.**

3. Background

- 3.1 At its meeting on 7 June 2016, the Housing Committee agreed to use its July meeting slot for a discussion with invited guests concerning the provision of supported housing in London.
- 3.2 Today's session follows up a site visit to supported housing conducted by the Committee on 3 March 2016. Notes from the site visit were circulated under the cover of the Agenda for the Committee's meeting on 7 June 2016.¹

4. Issues for Consideration

Changes to rent levels and housing benefit

- 4.1 Under the Welfare Reform and Work Act 2016, social housing rents are reduced by one per cent annually for the four years from April 2016. During the debate on the Bill, Brandon Lewis MP, Minister of State for Housing and Planning, said that the rent cut for supported housing would be postponed for one year. This means that providers of Supported Housing will be able to increase

¹ The agenda can be found on the Greater London Authority's website here:

<https://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=302&MId=6107&Ver=4>

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rents by the level of the Consumer Prices Index (CPI) plus one per cent for the financial year 2016-17 (while general needs providers must reduce rents by one per cent). The exemption for supported housing is a temporary measure which will allow the Government time to consider a review currently underway into the shape, scale and costs of the supported housing sector. It was due to report in the Spring, though no outcome has yet been published.

4.2 In his November 2015 Autumn Statement the Chancellor announced that Housing Benefit for social housing tenants would be limited to the Local Housing Allowance rate. This will apply to new tenancies from 2016, with the change in entitlements due to come into effect from 2018. The Department for Work and Pensions intends to apply the cap equally to Housing Benefit for tenants in supported and sheltered housing, but says that it will seek to protect people as far as possible through the local system of Discretionary Housing Payments.

4.3 While lower rent levels could benefit tenants, supported housing residents tend also to be Housing Benefit recipients, so any reduction in benefits could hit them hard. Housing providers, who rely in part on rental income streams to fund new housing development, will need to make up any lost revenue from other funding sources. This is particularly concerning for providers of supported housing (such as sheltered housing for older Londoners or adults with learning disabilities), whose development and operational costs are higher than those of general needs providers.

The Mayor's funding

4.4 The previous Mayor, Boris Johnson MP, supported the development of specialist housing for older and disabled adults through his Care and Support Specialised Housing Fund. Two phases of this funding have now been allocated, with remaining funding to be distributed via continuous market engagement.

4.5 The Committee may therefore wish to discuss with guests:

- The supply of, and need for, supported housing in London;
- The implications for the sector of changes to rent levels and Housing Benefit; and
- The role of the Mayor in promoting the development of supported housing in London.

4.6 The Committee is recommended to delegate authority to the Chair, in consultation with party Group Lead Members, to agree any output arising from the discussion.

Invited guests

4.7 A panel of expert guests has been invited to discuss these issues with the Committee, including:

- Lee Buss, Director of Operations, Evolve Housing + Support;
- Chris Hampson, Chief Executive, Look Ahead Care and Support;
- Jon Lillistone, Head of Commercial, Innovation and Insight, London Borough of Hammersmith & Fulham.

5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

6.1 There are no direct financial implications to the Greater London Authority arising from this report.

List of appendices to this report: None

Local Government (Access to Information) Act 1985
List of Background Papers: None
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