



This could cost lives

A frontline view on the funding of supported housing

A report by Rethink Mental Illness



With the support of



Foreword

Around 30,000¹ people severely affected by mental illness live in some form of supported housing.

At Rethink Mental Illness we are uniquely well placed to demonstrate the value it can bring. As a provider of services across England and an organisation that campaigns to protect the interests of people severely affected by mental illness, we see the difference that supported housing can make to the lives of our beneficiaries on a daily basis.

It offers a lifeline for many people with mental illness, helping them get out of hospital and get their lives back on track. But new Government plans put these services at risk, leaving thousands of people unsure about the future of their homes and those who are desperately waiting for a place even less likely to find one.

For mental health supported housing to fulfil its potential, it must have a firm financial footing, but this has been in doubt since 2015 as the Government has made a series of proposals to cap or limit money spent on this vital service. After sustained campaigning by Rethink Mental Illness, and others, the Government decided not to introduce a formal cap to Housing Benefit spent on supported housing. However, the Government's alternative funding proposals mean that the future of short-term supported housing services remain insecure.

Under new plans, any individual deemed to require supported housing for less than two years will be reliant on cash-strapped local authorities to fund the housing they need and will lose the statutory right to Housing Benefit.

The money they will receive will be protected by a fragile ring-fence and history tells us the impact it can have on spending when ringfences are removed. These plans will make the funding of mental health supported housing insecure and mean that fewer supported housing services will be built in the future. Many services could close. There is already a major shortage of supported housing and this will only make things worse.

This means that once again, the sector has been united in its opposition to the new plans. Although many different types of supported housing will be affected by the proposals, we believe that tenants in mental health supported housing will be uniquely vulnerable. If undersupply becomes embedded in the system as we fear, our beneficiaries will find themselves facing unnecessary and distressing spells in hospital, at enormous cost to both them and the NHS.

We launched the survey that forms the basis of this report to give those that work in mental health supported housing services the chance to have their voice heard in the debate. I am extremely grateful to all the organisations that took the time to promote our survey to staff in their services and the people that took the time to complete it. The response means that for the first time, we have been able to present a view from the frontline on the potential impact of the Government's proposals. That view is unequivocal.

1. Department for Work and Pensions and Department for Communities and Local Government (2016), Supported accommodation review: The scale, scope and cost of the supported housing sector.

84% per cent felt their service would be threatened by the reforms.

If current proposals become a reality, they will have a devastating impact on services and the people with mental illness who live there. It is now vital that the Government listens to these concerns and brings forward changes to the short-term model. Rethink Mental Illness remains committed to achieving this goal and securing the future of mental health supported housing.

Yours faithfully,



A handwritten signature in blue ink that reads "Mark Winstanley".

Mark Winstanley

Chief Executive, Rethink Mental Illness

Contents

Executive summary	4
What is supported housing?	5
What are the Government proposing?	5
Our research	6
Housing Benefit vs. Local Authority funding	6
Supply, quality and investment	8
Benefits for the NHS	10
What does 'short-term' mean?	11
Conclusion	13
Case study: Sarah's story	14
Appendix: methodology	15

Executive Summary

This report is based on a survey of service managers and staff that work in supported housing services for people with mental illness. To be eligible to complete the survey, their service and tenants had to be within the scope of the Government's short-term funding proposals. The survey was completed by 117 people, who gave a mix of quantitative and qualitative responses.

This is the first time that views of staff on the frontline have been sought on the Government's funding reforms. The results overwhelmingly show that the people who work every day with those severely affected by mental illness have serious concerns about how this funding model will affect the service they provide:

- 84% believe that the existence of their service could be threatened by the Government's proposals.
- 81% believe that people who need mental health supported housing will be less likely to access the support they need if they are reliant on local authority funding.
- 86% feel that the recovery of people severely affected by mental illness could be undermined as they approach the end of their 2 year stay in short-term services. There are no guarantees that accommodation will remain available and funded beyond this point.
- 60% feel that the role their service plays in reducing demands on the NHS (e.g. through reducing out of area placements and admissions/readmissions to hospital) would be harmed by the short-term model. This would have enormous cost implications for the NHS.

- 96% believe that Housing Benefit offers an important guarantee that tenants' housing costs will be met. Under the Government's plans, people in short-term services will lose this guarantee.
- Only 12% are confident that demand for mental health supported housing will be met in their area under the proposals. People severely affected by mental illness will be in competition with other vulnerable groups for limited funding.
- 88% do not have confidence that the ring-fence will be retained in the in the long-term. The historic removal of the ring-fence around the Supporting People programme is a stark illustration of how funding declines when this takes place.
- 72% believe that the supply of mental health supported housing will be reduced if it is removed. The same number (72%) believe that investment in short-term services will decline if the new model is introduced.
- 83% believe that local authority commissioning of short-term supported housing will see a reduction in quality, despite the Government's belief that the proposals will see it improve.
- 53% do not believe that two years is a suitable definition of short-term. Many of those who feel it was, called for flexibility in the definition that is not present in the Government's proposals.

What is supported housing?

There are many types of supported housing and each is designed to help different people in different ways. While all supported housing tries to help those who need it to live as safely and independently as possible, accommodation can include individual flats, group homes, hostels and refuges.

Some supported housing supports older people or others whose circumstances are unlikely to change, such as people with physical or learning disabilities. Other forms of supported housing are designed to help people for a shorter period, such as those at risk of domestic violence, experiencing homelessness, or who have addiction issues. Mental health supported housing can provide

someone with a home for anything from a few months to many years depending on the nature of their condition, the speed of their recovery and the availability of other accommodation for them to move into. Around 30,000² people affected by severe mental illness live in some form of supported housing.

Mental health supported housing offers a safe and secure environment that helps people build or regain their confidence, develop social networks and gain access to other forms of support. There are many reasons a person may need to stay in mental health supported housing, but it can often provide a more settled and less expensive alternative to a stay in hospital.

What is the Government proposing?

In 2015 the Government announced plans to change the way supported housing is funded, so Housing Benefit in supported housing would have been capped at the level of the Local Housing Allowance, a form of Housing Benefit designed to help people pay private rents.

Following widespread concern at these plans, the Government published revised reform proposals in November 2017. These proposals retain the current Housing Benefit funding model for long term services, defined as those that offer a home to a tenant for two years or more. But for short term services, those with expected stays of less than two years, the revised proposals envisage a more radical reform than the 2015 plans.

It is proposed that from 2020/21, short term supported housing will be taken out of the Housing Benefit system and paid for via local authority commissioning based on a ring-fenced fund devolved from central government.

The consultation on these proposals closed in January 2018. A wide range of organisations from across the supported housing and mental health sectors have raised serious concerns about the impact that the plans will have on services. Ministers have committed to respond to the consultation in summer 2018.

2. Department for Work and Pensions and Department for Communities and Local Government (2016), Supported accommodation review, The scale, scope and cost of the supported housing sector.

Our research

In light of these new proposals we surveyed service managers and staff who work in mental health supported housing services. In the questionnaire, we asked service managers and staff a combination of quantitative and qualitative questions. Quotes are taken from responses to the open-ended questions.

Housing Benefit vs. Local Authority funding

96% believe Housing Benefit offers an important guarantee that mental health supported housing tenants will have their housing costs met.

'We want to provide the best service for all of our clients. They deserve to be supported and feel secure in their homes. If Housing Benefit does not support this then it will add further stress and anxiety to our clients when they are already suffering'.

The Government is planning to fund short-term services outside of the welfare system. Currently, if tenants meet the Housing Benefit criteria and referral criteria for a service, tenants in mental health supported housing have a guarantee that their housing costs will be covered. This guarantee will be removed under the Government's proposals.

This means that the money currently paid to tenants through Housing Benefit will be handed to local authorities instead, who will commission these services directly. People who live in short-term services will no longer pay rent and won't have a tenancy agreement, or the guarantees that come with it.

81% believe that people who need mental health supported housing will be less likely to access the support they need if they are reliant on local authority funding.

'The loss of the guarantee that housing costs will be covered by Housing Benefit suggests that people with mental health problems will be less likely to access supported housing'.

'The most vulnerable people are often the hardest hit since local borough councils are geared to save costs'.

The Government has tried to give assurances that rights would remain the same for everyone who needs supported housing, regardless of the proposed funding change. In practice, accessing short-term supported housing will become far more difficult, as the guarantees tenants have that their rent costs will be met by Housing Benefit will no longer be in place.

People affected by a variety of different issues (e.g. mental illness, homelessness, addiction and domestic violence) who need short-term supported housing will all need to compete to access a fixed amount of local authority funding to get the help they require.

Local authorities will be forced to make difficult choices about who they support. This means that despite the Government's assertion that rights to support will remain the same, in practice many people are likely to miss out.

68% do not believe that Housing Benefit spending fully captures demand for supported housing.

'I have worked in the field of mental health for 20 years, in Community Mental Health Teams, Assertive Outreach Teams and Charities. I know from mine and others' experience that when we have looked for suitable mental health housing the demand for places at these very valuable resources has always, always outstripped availability.'

Only **12%** are confident that demand for mental health supported housing in their area will be met under the new model.

'We work with the local authority currently and I am absolutely certain that they would not provide the provisions to meet demands.'

There have been two services closed due to the lack of funding by the local authority, both services closed within a month of each other.

The local authority, NHS and other services are bursting at the seams. Should there be further cuts and uncertainty within the sector, it is likely to cost lives'.

Under the proposals, the money local authorities will receive to pay for short-term supported housing will be the same as is currently spent in their area through Housing Benefit. As the Government is proposing to remove funding from the welfare system, the way that short-term services are funded will no longer be responsive to need.

There is already a shortage of mental health supported housing. The Government's proposals risk making undersupply a permanent feature of short-term services and embedding the disadvantage that people who need support face.

Across the country, demand for mental health supported housing outside of Housing Benefit – such as those in hospital who need a place but haven't been able to find one – will not be included. As a result the amount of funding local authorities receive will be insufficient to meet actual need.

To add to these concerns, despite growing demand for mental health supported housing, the Government has given no indication of how the amount of funding local authorities receive will be increased over time to meet future demand.

It isn't clear how people will get the support they need once local authorities have spent the money they are given. Although there is currently a shortage of supported housing, people know that their housing costs will be met if they can secure a place, because Housing Benefit is responsive to need. This will be lost under the Government's proposals.

Supply, quality and investment

88% do not have confidence that the ring-fence will be retained in the long-term

'The same was promised with Supporting People'.

'Governments change all the time – there are no guarantees and this leads to uncertainty'.

'I have not seen any area that has involved austerity cuts flourish through a limited pot of money'.

'If the ring-fence was removed and the Government goes ahead with proposals to handover the housing support payment to local authorities, in my opinion, this leaves vulnerable people in a borough lottery'.

72% think that the removal of the ring-fence would see a decline in the supply of mental health supported housing

'Projects will close, tenants will be put in a very vulnerable situation. There will be an increase of inpatients at the hospital and homelessness will increase. The impact for some individuals will be so detrimental that in some cases we could see a high risk of suicide'.

The Government has said that the money given to local authorities to commission short-term supported housing will be protected by a ring-fence. However, while ministers have said that it is their 'intention' that the ring-fence will be maintained 'long term', they have given no guarantees and the history of Supporting People Programme gives many cause for concern.

Supporting People, which was introduced in 2003 to help vulnerable people live independently, saw £1.8bn devolved to local authorities and was initially protected by a ring-fence. However, when this ring-fence was removed in 2009, the impact was dramatic.

By 2014/15, Supporting People budgets had been cut by 45%.³ If the Government's new proposals are introduced and the ring-fence around the money local authorities receive to pay for short-term housing is removed, supply of this vital resource is likely to reduce dramatically.

Councils have seen their budgets cut by over a quarter since 2009/10⁴ and as a result their finances are stretched. Because of these challenging circumstances, local authorities may try to reduce costs when they assume their new role.

Even if the ring-fence is retained, the Government's proposals could see the amount of money spent on short-term mental health supported housing reduced. Yet in practice the ring-fence could be removed at any time. The housing sector, investors, and the charity sector have warned that the Government's proposals are likely to see investment in short-term services reduced.

3. National Audit Office (2014), The impact of funding reductions on local authorities

4. Institute for Fiscal Studies (2016), A time of revolution? British local government finance in the 2010s

71% believe that investment in short-term housing will reduce

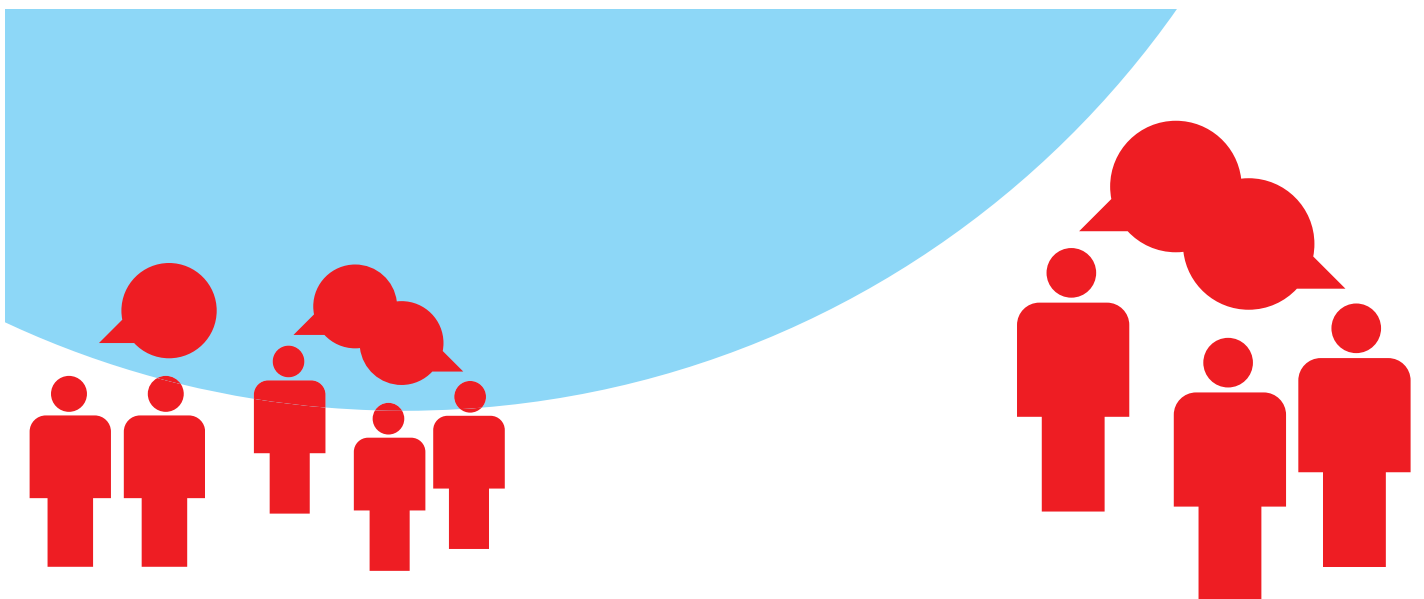
'Housing providers are a business at the end of the day and if there are no assurances that they can recoup their costs, then supported housing becomes a much less attractive option in comparison with general housing'.

83% believe that the new short-term model will see the quality of services decrease

'They will choose the cheapest option and the quality will deteriorate. I have already witnessed this in the service I work in'.

If these changes result in lower investment in supported housing, the impact could be seen both in reduced bed numbers and poorer quality services. The Government wants to see local authorities focus on securing value for money when they commission short-term services and believe that their reforms will see an increase in quality. Faced with significant demand from many different vulnerable groups – and a limited pot of money to meet them – local authorities may be forced to commission on the basis of cost, rather than quality.

If the quality of services declines, it is ultimately tenants who will suffer, and the positive impact that mental health supported housing can have on someone's recovery will be reduced. Smaller and specialist providers may also be pushed out of the market if they are unable to compete with larger organisations on cost.



Benefits for the NHS

60% believe their service's ability to reduce demand on the NHS would be negatively affected by the Government proposals

'Mental health services would effectively collapse under the strain of limited placements to move people on. The cost would be enormous.'

'The services we provide have a huge impact on supporting the NHS to reduce long term stays in hospital. If the accommodation is not available, people may be forced to stay in hospital.'

'We continuously reduce the demand on the NHS. We work hard to keep our clients out of hospital. If these constraints are put on our service, it is highly likely that it will close or our beds significantly will be reduced. If this is the case, our clients are likely to end up back in NHS services.'

Supported housing can play a vital role in helping the NHS tackle some of the major challenges that it faces. The Government has a target to eliminate Out of Area Placements (where people are placed in hospital a long way from home) for adults by 2020/21 and supported housing is vital to achieving this.

It also has enormous financial benefits to the NHS. A stay in hospital can cost over £13,000 per month, but someone in mental health supported housing can have their housing cost met for as little as £1,000 per month. Although supported housing is about more than money, these figures demonstrate that constraining the supply of mental health supported housing makes no financial sense.

Suitable supported housing can provide an alternative to people being placed in hospital, away from their family, friends and local area. Even if a hospital bed is available locally, inappropriate stays in hospital are often unpleasant and unnecessary.

Supported housing can also reduce the revolving door of admissions and readmissions to hospital, if sufficient places and services are available. We believe that if the Government's proposals are introduced there will likely be a significant impact on the capacity of services to do so. The NHS will face additional pressures as a result, at a time of unprecedented demand on its resources.

What does 'short-term' mean?

Last year, a report into the future of supported housing was published by MPs on the Communities and Local Government and Work and Pensions Select Committees.⁵ They recommended that a new funding model for very short-term or emergency accommodation should be introduced.

This was because there will otherwise be some practical issues that mean it may be difficult for providers of genuinely short-term services to get paid for helping the people they support.

When Universal Credit (which will replace several benefits including Housing Benefit) is introduced, providers of very short-term supported housing are likely to find it harder to receive payment for tenants if they stay for *less than one month*.

When the Government published new proposals, they claimed to have met the Committee's recommendation on a short-term model. However, their proposed system defined short-term as anticipated stays of up to two years. This has been criticised by many of the MPs who produced the report. The two-year definition has also been widely criticised by the sector – something that the Government has acknowledged.

91% believe it is difficult to accurately predict how long a tenant will need to stay when they enter a supported housing service

'Tenants' mental health can fluctuate massively. It would seem fairly impossible to tell how they will be in two years. Lives and situations change, and I believe it would be very hard to predict'.

'Some mental illnesses are heavily affected by medication. Any changes in medication can make mental health issues fluctuate, often unexpectedly'.

53% do not believe that two years is a suitable definition for short-term

'People's needs can fluctuate. Some people need re-admission during this period which makes this time-scale difficult to adhere to'.

'I believe that every individual has differing needs and requirements, therefore two years in many cases isn't long enough to recover and be supported back into mainstream housing'.

'Not suitable in the slightest. We would end up grouping people and looking for 'fast track' solutions to get people ready for independent living. This is not appropriate for people with mental illness'.

5. Future of supported housing (2017), Communities and Local Government and Work and Pensions Committees

It will be very difficult to determine whether, under the Government's proposed definition, a tenant has short or long-term mental health supported housing needs. This is because mental health conditions can fluctuate enormously and in ways that are difficult to predict. Although some services have planned lengths of stay, it is hard to accurately assess how long people will need support when they begin to receive it.

It will be equally difficult to decide whether a service itself should be classified as short or long-term. This is because it is common to have some people who stay less than two years, and some who stay longer, within the same service. It is unclear how these services would be classified, or what sort of service someone needing to stay between 18 months and three years would go to.

Recovery from mental health conditions can be particularly affected by stress, fear and uncertainty. These proposals could exacerbate these problems because the future of people in short-term services beyond two years is unclear. The uncertainty could undermine the progress they have made in their recovery as they approach the end of a short-term stay.

Although the Government has claimed that people in short-term services can stay longer than two years if needed, it isn't clear how their stay beyond an initial two-year period would be funded, or what obligations local authorities would be under to provide it. Even if local authorities do fund stays in short-term services over two years, it will mean that someone else who needs support misses out.

86% believe that people in short-term supported housing could have their recovery undermined due to the uncertainty of their housing situation at the end of the two-year period

'The thought of not having support after two years could be (and is likely to be) very distressing for tenants. It may make them feel pressure to recover quickly. This could lead to a deterioration in their mental health and wellbeing'.

Although the Government has stated that people will be allowed to remain in a service beyond two years, it is likely that this would have to be paid for from a limited local authority pot. This would therefore be at risk from cuts, unlike the certainty provided by Housing Benefit.

Against this background, the recovery of people severely affected by mental illness could be jeopardised. This means that the fundamental purpose of mental health supported housing – to help people to live as independently as possible – would be undermined.

67% believe that the short-term model will incentivise longer stays in mental health supported housing

'The concern is that more people will seek longer term housing due to the guarantee of remaining in the benefits system. Due to limited supply, this could mean that those in need may not be able to access the services'.

The insecurities of the short-term funding model, compared to the secure long-term model, could provide a perverse incentive for longer stays in mental health supported housing. This could result in people severely affected by mental illness being inappropriately placed in services that do not lead to their recovery, as well as being more costly.

Conclusion and recommendations

84% believe that the existence of their service could be threatened by the Government's proposals

In the context of concerns about ring-fencing, local authority funding, and the two-year definition of short-term it is possible to understand why so many front-line workers felt that these changes threaten the existence of their service.

The overwhelming view of the service managers and staff that we spoke to was that the Government's reforms will make mental health supported housing harder to access for the people whose lives it is designed to transform.

The fact that 84% believed that their service could be threatened by these proposed reforms is a stark illustration of their potential harm. If enacted, thousands of vulnerable people could go without the support they need, and there would be enormous additional costs for the NHS.

Yet the impact of these proposals should not be considered in pounds and pence alone. Mental health supported housing prevents people from being sent far away from their loved ones to places they don't know.

It gives people a place to call home, instead of being forced to spend lengthy and unnecessary periods in hospital. It gives someone the knowledge that they have support if they face a crisis, and the confidence to live independently. Above all, it gives people the security they need to help them on the road to recovery.

- It is imperative that the protections supported housing offers are maintained for people severely affected by mental illness. That's why we believe that the vast majority of mental health supported housing should continue to be funded through Housing Benefit. This means that the definition of what constitutes short-term supported housing should be revised and set at a **maximum of 12 weeks**.
- We recognise the need for a new model to be designed for genuinely short-term accommodation, as was recommended by the report from the Communities and Local Government and Work and Pensions Select Committees. This would help ensure that provider costs are met when Universal Credit is introduced. **A definition of no more than 12 weeks would ensure that current protections** would remain in place for most tenants and allow a new model to be designed ahead of Universal Credit being fully rolled out.
- A new funding model for genuinely short-term accommodation must be designed and introduced in a way that means that provision is protected, individual rights to access supported housing are not weakened, and that funding can meet the demand of any new timeframe that is set. **We urge the Government to work with the mental health and wider supported housing sector to agree a model that achieves these aims.**

Case Study: Sarah's story

Sarah works at a Rethink Mental Illness supported housing service in the north of England.

Our service houses around 20 people. We support clients with paranoid schizophrenia, personality disorders and bipolar disorder – all with severe and complex needs.

We support each resident depending on their individual needs. For example, we are currently supporting a young man, 26, who has schizoaffective disorder. He tried to live independently but was often in and out of hospital, and struggled to manage his money or look after himself. He was eventually evicted, and that's when he was referred to us.

Over the last year we've been helping him with budgeting and how to buy and prepare food. He was also quite socially isolated, which is a common problem, so we've been supporting him with that by introducing him to local groups. He's been taken advantage of many times. People try to take his money and he's been assaulted.

He's doing really well in lots of ways but he's still having to be hospitalised every so often, so we think he'll be with us for another two years. It's difficult to determine how long someone will need our support because mental illness fluctuates, and everyone is so individual. Most of the people we support are keen to live independently and move on when they are ready. It's a myth that people want to stay with us indefinitely. But the reason this kind of support works is that there is no set time limit.

We have had one tenant who was with us for 18 months. He planned on moving to independent living but then he suffered a relapse, which meant he began the recovery process again and currently remains with us.

I have no doubt that our service would be directly affected by the Government's proposals. If our service closed half of our clients would end up back in hospital, putting further strain on NHS services. The other half would just about manage but would likely be living extremely isolated lives.

I have been involved in mental health services for the past eight years and have seen an unbelievable decline in that time. I have tried to get help for a client in crisis and it has been impossible. It's a dire situation that will get worse if these proposals go ahead as stretched budgets will be stretched even further. Where are all these extremely vulnerable people meant to go?

Should there be further cuts and uncertainty within the sector, it is likely to cost lives. The fact that this kind of proposal has even been considered is unfathomable.

Methodology

The survey was promoted to relevant service managers, staff and member organisations by Rethink Mental Illness, the National Housing Federation, the Association of Mental Health Providers, Look Ahead, L&Q, One Housing, Optivo, and Livery.

We do not attempt to present these findings as universal. Mental health supported housing is inherently complex. The reasons that people need mental health supported housing vary according to individual circumstances.

The survey was completed online in April and May 2018 by 117 service managers and staff in mental health supported housing services. At least some of their tenants in their service have a planned stay of less than two years.

Although our survey is the first of its kind and the opinions of service managers and staff have never been collated on this scale before, we understand that the views of 117 people, though incredibly valuable, are not representative of all service managers and staff that work in mental health supported housing services.

Respondents were asked questions about the Government's proposals and were given the opportunity to add further comments after each question. Responses were not forced and respondents were able to leave a question blank if they did not want to answer. The lowest number that answered any of the questions we asked was 110 out of 117.

The case study in this report gave their consent to be contacted to discuss their response and have it featured in our report.

For further information about this report, please contact Jonathan Moore, Social Policy Manager at Rethink Mental Illness, at jonathan.moore@rethink.org.





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