

Age UK briefing: Housing benefit cuts and supported housing

January 2016

This briefing has been prepared by Age UK in follow up to Thursday 27th January opposition day debate on Housing benefit cuts and supported housing.

LHA Cap on Social Housing

Age UK has added its voice to concerns over the implications of the LHA cap on social housing. Sheltered and extra care scheme could see a decline in services or be forced to close. Some providers have now put a halt to planning new schemes. This could have a significant knock-on effective on the residential care sector, which is already under considerable strain.

We are calling for all supported housing to be exempt from the cap in recognition of the significant social, economic and health benefits provided by these schemes. Over the years we have seen the continued decline of sheltered housing with the loss of scheme managers and other support services. We have some evidence that vulnerable residents living in these schemes are not receiving care and support they are entitled to.

Charges for services in many sheltered schemes have increased or have been withdrawn. This has meant more older residents opting out of preventative support services - which were previously a core part of their scheme. This serves to undermine the purpose of sheltered housing. For others, extra care housing provides a positive alternative to residential care and offers older people greater control over the delivery of care and support services.

A review of the costs specialist housing needs to take account of the savings as a result of reducing demand on more expensive options, such as residential and hospital care. We need a fair and stable financial settlement that properly recognises the preventative role of sheltered and extra care housing. As part of this we would like to see more schemes acting as hubs to support other vulnerable older people in the local community living in general needs housing.

Conditions of private rented accommodation

Although the numbers of older people in private rented accommodation are still relatively small, they will rise over time. There is interest in whether the sector might offer an alternative to older residents downsizing from both the social rented sector and the owner occupied sector. The flexibility and location of private rented housing can make this an attractive option, but we need to address issues around disrepair,

accessibility and security of tenure. The involvement of institutional investment and housing associations could offer better quality and more secure private rented homes.

At present, older private tenants are particularly vulnerable to poor housing conditions. The continued expansion of private renting means that, in the future, many older people are likely to be affected by poor conditions unless action is taken. Escalating rents and service charges are also a concern for older people living in privately rented accommodation. For those who are eligible for full housing benefit this can provide a safety net and some protection against rent increases. However tenants who are not entitled to housing benefit will have to meet the full cost of rising rents and as a result may find their standard of living declining or savings falling at a much higher rate than anticipated.

Uncertainty over benefits

Older social tenants have been mostly protected from housing benefit reforms and the introduction of the 'spare room subsidy', which limits payments if someone is considered to have more bedrooms than they need. There are worries that these restrictions could be extended further, despite a lack of smaller accommodation. The introduction of 'affordable rents' is putting pressure on rents in the social sector to increase. 'Affordable rents' are defined as 80 per cent of market rents, which is higher than standard social rent levels. Both rent levels and service charges in sheltered housing are likely to see further increases. This will particularly create difficulties for older people on moderate incomes who are funding themselves, rather than relying on Housing Benefit. We may see an increase in social divisions in the sector between the poor and vulnerable relying on benefits and better off older tenants or leaseholders (although still struggling to meet costs).

Sheltered and retirement housing - policy recommendations

- There should be sufficient levels of regulation to curb bad practice in the leasehold sector and ensure there is a healthy and competitive market for retirement housing.
- There should be increased investment in retirement housing and further reforms to the planning system to make new developments easier to build and affordable to more older people.
- The Government should do more to assist leasehold residents who wish to take up the 'Right to Manage' and review ways to establish the development of retirement housing that offers commonhold tenure.
- We need to encourage the development of high quality forms of extra care housing, to offer greater housing rights and control over care. At the same time we need consistent standards and stronger measures to protect residents from the potential withdrawal or dilution of services.
- Codes of practice for the leasehold sector need to be brought together and implemented by a new independent regulator, with special attention to the protection of vulnerable older leaseholders.
- Exit fees should be completely abolished. Older residents should not pay fees unless it is for a specific service, based on actual costs.
- All older leaseholders and tenants should have access to an ombudsman service to deal with complaints and contribute to improving service delivery.

- There needs to be a greater focus on the 'consumer rights' of older residents and a better legal balance of rights between residents, providers and commissioners of services.
- Planning gain charges (under S106 and the Community Infrastructure Levy) should be linked to a housing strategy that is sympathetic to the housing needs of older people and delivers affordable homes in age friendly communities.

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