

Implementing the Transitional  
Housing Benefit Scheme in Wales  
Welsh Assembly Government







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## Summary

The Housing Benefit system has a key role in maintaining the viability of supported accommodation in Wales. That role, from April 2003, will change when the new policy and funding regime, *Supporting People*, is introduced. Most of the costs of providing support for people will transfer from Housing Benefit (and other sources) to a new budget, the *Supporting People* fund, which will be administered by local authorities. For a further interim period until April 2006 the Welsh Assembly Government will continue to administer the Supported Housing Revenue Grant (SHRG) but that source of funding will also transfer to the *Supporting People* fund at that time.

The Transitional Housing Benefit Scheme (THBS) runs from April 2000 to March 2003 and is intended to provide the Welsh Assembly and central government departments, Department of Transport, Local Government and the Regions (DTLR) and the Department for Work and Pensions (DWP) with information about the current costs of providing support through Housing Benefit.

In July 2001 the Social Policy Research Unit and the Centre for Housing Policy at the University of York were commissioned by the Welsh Assembly Government to carry

out research into the implementation of the Transitional Housing Benefit Scheme by local authorities in Wales.

Four case studies were carried out in the autumn of 2001 and two workshops for local authorities and supported accommodation providers were hosted by the Welsh Assembly in October and November 2001. The case studies comprised in-depth interviews with the key stakeholders in each local authority area, including Housing Benefit managers, staff directly involved with implementing THBS, *Supporting People* lead officers, staff in housing and social services departments, and providers of supported accommodation. The workshops were attended by Housing Benefit and *Supporting People* staff from all 22 Welsh local authorities and a range of supported accommodation providers.

In this summary we set out first the key findings from the research and the principal lessons learned. These are organised into (1) lessons for local authorities, (2) lessons for the Welsh Assembly and central government, and (3) lessons for providers. Finally, an overview of the conclusions of the research is presented.





## Key Findings from the Case Studies and Workshops

The implementation of THBS in Wales has been affected by a number of factors particular to Wales. The fact that all 22 local authorities are unitary has undoubtedly been an advantage. The key personnel in Social Services, Housing and Housing Benefits are all part of the same local authority. The supported accommodation sector is also relatively small, which has facilitated effective joint working in some authorities. Of key importance also has been the role of the Welsh Assembly, which has the responsibility for the successful implementation of *Supporting People*. Their decisions, and the processes involved in making those decisions, have had a crucial bearing on the implementation of the Transitional Housing Benefit Scheme.

One of the main conclusions from the research is that THBS has been implemented very unevenly across Wales. In the course of the research, most local authorities acknowledged that they still have some way to go before the full extent of support is known and costed accurately. However, there is no single reason why implementation of THBS has not been implemented quickly and smoothly.

- The burden of implementation initially fell solely on the Housing Benefit departments. As a result THBS has not received the level of commitment and resources that are needed in the face of competing demands and pressures and in the context of considerable upheaval in local government structures.
- Despite some examples of effective joint working between *Supporting*

*People* staff, Housing Benefit officers and supported accommodation providers in some local authority areas, there were many instances of joint working not happening. Within some local authorities, there were still tensions between lead officers keen to develop services and Housing Benefit managers who continue to see their principal responsibility as safeguarding local authority funds. Many providers still feel excluded from the processes of joint working.

- A barrier to joint working in some areas has been the lack of trust between the principal parties. In Wales there appears to have been a number of barriers to trust which have built up over a number of years between local authority departments, RSLs, and other housing providers.
- One of biggest barriers to the implementation of THBS in Wales has been a pervasive climate of uncertainty about the strategic direction of *Supporting People* and the funding arrangements that will be put in place for April 2003 and beyond. This has affected both *Supporting People* staff and supported accommodation providers.
- For providers, the process of costing supported housing and deciding what element is housing and what is support is not just a technical exercise, it is a strategic issue. They have had to make an assessment of the overall impact of the *Supporting People* programme on their organisations, their provision and their clients. They have legitimate

concerns about the continuation of funding for their schemes, particularly when these are designed for what are perceived as ‘unpopular’ client groups.

## SUMMARY OF LESSONS LEARNED

### 1. Lessons for local authorities

#### *Working structures and procedures*

- Implementation of the THBS needs to be recognised as a three way process of communication between the three stakeholders: Housing Benefit staff, lead officers and, importantly, providers. Implementation of THBS should not be seen as Housing Benefit’s responsibility only.
- THBS needs to be ‘owned’. It is suggested that lead officers assume strategic ownership working with Housing Benefit departments. Ownership of THBS should result in lead officers convincing Chief Executives, senior staff and elected members that THBS should be given more priority and resources.
- Joint working forums should, where they are not already, be set up as the principal means of getting all the relevant parties together, and of ensuring that they work together to maximise the pot for their local area.
- A ‘plain English and Welsh’ brochure on the local significance and implementation of THBS could be produced and widely distributed. The same brochure should be distributed to all the three principal parties.
- Implementation of THBS requires adequate resources. Appropriate senior officers need to be aware of

the importance of resourcing THBS adequately. Any incorrect decision making that results from under-resourcing is likely to inadequate funding of *Supporting People* after 2003.

- In planning for the period up to April 2003, Housing Benefit departments should be aware that many, and possibly all, rent/support breakdowns will need to be reviewed at some time.

#### *Transitional Housing Benefit decision making*

- Reasonableness issues are likely to become more common in the next 6-12 months. Good decision making requires the input of suitably qualified staff. Local authorities should consider whether some form of appropriate cross-department or multi-agency forum should be set up to deal with difficult cases.
- Direct contact with providers is necessary to resolve issues around rent/support splits, eligibility, and reasonableness.
- There is almost certainly a need to review existing THBS assessments to ensure they are realistic, justifiable and reasonable.
- Local authorities need to follow through the implications of the message to ‘maximise the pot’ which should serve as a renewed emphasis on the importance of joint working to the success of the *Supporting People* project.

#### *Lessons from providers to local authorities*

- Providers, particularly small providers, need more technical, financial help.

- Providers would like more strategic advice from implementation in the form of firm commitments.
- Providers would like more feedback from Housing Benefit departments after they have submitted claims.

## 2. Lessons for the Welsh Assembly

### *Working structures and procedures*

- There is a case for considering the production of a series of accessible information brochures or pamphlets (in collaboration with DWP) on the structure and purpose of THBS and its role in ensuring the success of *Supporting People*. The brochure could be reproduced on the National Assembly's website.
- Resources could be made available from *Supporting People* preparation monies specifically for the purpose of improving the implementation of THBS.
- The Welsh Assembly could facilitate cross authority forums of Housing Benefit officers to encourage a consistent and high quality approach to THBS.
- Stats 121-124 forms will underestimate support where a local authority's own stock has not been reviewed yet. This must be taken into account in any 'sizing the pot' estimates that are made. Management information generated by THBS software systems is still likely to be incomplete, and likely to change in the next six to twelve months.
- Consideration should be given to providing local authorities with

sufficient additional funds (separate from new grants for implementing *Supporting People*) to administer THBS, including resources for associated tasks such as the production of leaflets and other publicity material.

- The Welsh Assembly should consider seeking, and publishing, advice from the Data Protection Commissioner about the legitimacy of local authorities, providers and others sharing information about individual clients and claimants.
- The Welsh Assembly Government has a role to play in educating local authority Chief Executives, senior officers and elected members about the importance and urgency of implementing the Transitional Housing Benefit Scheme.

### *Transitional Housing Benefit decision making*

- The Welsh Assembly needs to clarify its intentions around how *Supporting People* funds will be allocated post 2003 in order for local authorities and providers to have confidence to make decisions now about costing and development decisions.
- The Welsh Assembly and DWP should clarify the effective 'cut off' date after which they will be using existing data to inform decisions about the size of the pot for Wales.
- The Welsh Assembly should provide local authorities with advice on what community care costs can be moved legitimately to THBS.
- DWP (with the Welsh Assembly) should keep under review its

guidance on a number of issues, including:

- > reasonableness.
- > appropriate depth of investigation on THBS cases.
- > contrived tenancies.
- There is probably a limit to what can be done to persuade Housing Benefit staff to scrutinise breakdowns more closely. Instead effort should be made to communicate the importance of the THBS.
- Government needs to continue to work with the national provider organisations so the latter can communicate the continued importance of the THBS.

### 3. Lessons for providers

- Providers need to be made more aware of the urgency of providing rent/support splits.
- Providers need to be persuaded that it would be expedient to re-examine rents.
- The dangers of loading costs into the rent element need to be explained to some providers.
- Providers need to be told that there is less discretion in the system than they believed.
- Landlords and managing agents need to work more closely on rent and support.

## OVERVIEW

The organisation of local government, the existence of the Welsh Assembly, and the close knit nature of the supported accommodation sector, account for some of

the different experiences of THBS in Wales compared with the rest of Great Britain and provide some distinct opportunities for making progress.

Some Welsh authorities have clearly made good progress in implementing THBS. Others are less well advanced. There are sufficient examples of good practice, which we have identified in the course of this research, for local authorities and providers to make further progress themselves. Importantly though, there is also a crucial leadership and communication role for the Welsh Assembly. If THBS is to be a success, and ultimately if *Supporting People* is to be introduced successfully, perhaps the key lesson from the research in Wales is that everyone, local authorities, supported accommodation providers, and the Welsh Assembly, has a mutual interest in getting THBS right. The Welsh Assembly needs to get this message across, provide clarity about the strategic direction of *Supporting People* in Wales, and, where it can, promote and facilitate joint working between the key parties in local authorities and in the supported accommodation sector.

Whatever the uncertainties of 2003 and beyond, local authorities and providers that have worked together now will have given themselves the best chance of having a supported accommodation sector in the future that meets the needs of the people who rely, either permanently or for a short time, on general counselling and support services.

## 1. Introduction

The Housing Benefit system has played a key role over many years in the viability of supported housing but that role will change in April 2003 when the new policy and funding regime *Supporting People* comes into force. In Wales, the support costs of a total rent will transfer in stages to a new cash limited budget which will be administered by local authorities, via joint panels bringing together housing, social services and probation departments, with some representation from health bodies. This represents a major shift of policy and a huge transfer of resources. No longer will support costs be funded from an open-ended social security budget administered by central government. In future they will be resourced from cash limited funding under the control of individual local authorities. In some ways this change is similar to that which occurred in April 1993 when the care costs of private residential care were transferred from social security spending to social service spending.

The Transitional Housing Benefit Scheme (THBS) was designed in 1999 and came into effect in April 2000. Originally, the intention was that THBS would enable the two sponsoring central government departments, now the Department for Work and Pensions (DWP) and the Department of Transport, Local Government and the Regions (DTLR) to gather robust data, for the first time, on the actual costs of providing support services (as opposed to health or personal care services) through the benefit system. The information generated, it was thought, would contribute to the overall calculation of total *Supporting People* funding (known as the ‘sizing the pot’ exercise).

Initially, the implementation of THBS was designed as a task to be carried out by Housing Benefit departments alone. They were to identify all providers who were delivering support, general need providers, as well as specialist support providers, write to them asking for a revised schedule of housing and support costs and then finally they were to record the support element on management information returns known as Stats 121-124. At the end of the summer of 2000 it became clear that this process was not going well. A survey of local authorities (Shrapnell and Swales, 2000) revealed that providers were not being identified and rents were not being reviewed as intended. As a result there were fears that *Supporting People* would fail because the ‘size of the pot’ would be inadequate to meet the demands on it after April 2003.

The former Department of Social Security (DSS) and the former Department of the Environment, Transport and the Regions (DETR) then commissioned the Social Policy Research Unit and the Centre for Housing Policy at the University of York to investigate the reasons for this failure of implementation and to identify ways forward. The impetus for that research was essentially the same for the research reported here commissioned by the Welsh Assembly.

In this opening section of the report we describe how the research in Wales was carried out, building on experience gained from the earlier DSS/DETR work, and summarise the principal findings of that study. Subsequent sections will explain the policy background to *Supporting People* and THBS in the context of the particular



political and administrative arrangements that exist in Wales, explore the working structures and procedures set up by local authorities, examine the decision making practices of Housing Benefit departments dealing with THBS claims, and analyse the important role of supported accommodation providers in THBS and *Supporting People*. In a final section we present an overview of the main findings and suggest ways forward based on the contributions of the key people who participated in the research.

### 1.1 Researching THBS in Wales

As mentioned above, the research reported here was triggered by a similar project that was being carried out on a Great Britain basis commissioned by the predecessors of DWP and DTLR, DSS and the DETR. (We will refer to this research as the DTLR/DWP project in the rest of this report.) Although that study, which reported in October 2001 (Sainsbury and Oldman, 2001), included one Welsh local authority area, there was a feeling in the Welsh Assembly that the findings would not sufficiently inform policy development in Wales and that dedicated Welsh research was required. The work was commissioned by the Welsh Assembly in July 2001 and was completed in December 2001.

The aims of the research were:

- To explore understanding on the part of key stakeholders in Wales of THBS and *Supporting People*.
- To describe the processes being used to implement THBS.
- To explore if and how information on support costs and has been collected,

to describe any difficulties encountered and any solutions found.

- To explore reasons for good and bad local authority performance and to put forward any explanations for any differences identified.
- To suggest ways in which implementation can be improved and identify areas of good practice.
- To identify areas where more guidance is needed.
- To describe the experiences of supported accommodation providers in Wales in meeting THBS requirements.

Four local authorities were selected to be the location of case studies. The four sites were chosen for their diversity on a number of criteria:

- Local authority type (urban/rural).
- Geographical location.
- Size of population.
- Types of supported accommodation provides operating in the area.

In each authority interviews were carried out with key stakeholders including:

- The Housing Benefit manager and one or more staff directly involved with implementing the THBS.
- The *Supporting People* lead officer.
- Appropriate staff in housing and social services departments.
- A number of supported accommodation providers.

A total of 24 local authority staff and 11 provider organisations took part in the case studies carried out in September and October of 2001.

The case studies were followed by two workshops, Bridgend and Llandudno, which were attended by all 22 Welsh local authorities and representatives from supported accommodation providers ranging from large Registered Social Landlords (RSLs) to other, usually smaller, voluntary or charitable providers. The aims of these workshops were to present emerging findings and through small group work to turn the findings into policy ideas. The inclusion of providers in the workshops was an innovation of the Welsh research and it was generally felt that their participation enhanced the quality of debate and made it easier to plan the way forward. Joint working which had not been a prominent feature of implementation so far was already beginning to happen in the workshops and contacts between participants, we understand, have continued since.

In the case studies and in the workshops we were able to draw on the findings from the earlier DWP/DTLR project. Some of the main lessons from that work are presented below.

## 1.2 Key findings from the DWP/DTLR research

The DWP/DTLR research design was essentially the same as for the Welsh project, but on a slightly larger scale. Six case studies, covering local authorities in England, Wales and Scotland, and four workshops (attended by 160 local authorities) were carried out in the first half of 2001.

It was clear from both the case studies and the workshops that generally Housing Benefit staff had not been proactive in their reviews of supported accommodation. They often processed claims as they came in and accepted the support costs identified by providers in their claims unless they differed significantly from those received in the past. In that eventuality they would ask more questions or possibly challenge the figures of the provider. This had led to support costs being reported to the DSS lower than had originally been expected. Also a great deal of variation in support costs was being identified.

Many staff were fairly negative about THBS giving other routine and ad hoc tasks much higher priority. Crucially, implementation was carried out by Housing Benefit staff working mostly in isolation from other *Supporting People* personnel. At the time the fieldwork was carried out very little joint working was taking place. As lead officers began to be appointed there was more appreciation of the importance of THBS to the success of *Supporting People* but they, and Housing Benefit officers working in a culture of custodians of public resources, had different views on the importance of maximising support claims.

Providers were very largely left out of the implementation. Housing Benefit officers felt they could not give them advice. This left many providers working in the dark, carrying out rent and support breakdowns without the benefit of systematic expert advice and guidance. Providers were anxious about what would happen to supported accommodation funding after April 2003 and were inclined to load costs into rents in response. However, partly with the advent of rent restructuring they were beginning to recognise that they might

want to carry out their rent/support breakdowns again and transfer more into support. The rent restructuring reforms require RSLs to reduce their rents over a ten year period in line with local authority rents. Local authorities failed to recognise that the objective of identifying support costs accurately was constrained by the fact that for providers the THBS was a political, risky and strategic exercise.

Housing Benefit circular A47/99 encouraged providers to feel they had some discretion as to whether to 'go for rent or go for support'. Also providers found the technical task of splitting the rent into different activities very hard. This was particularly the case with small, voluntary sector providers who had in the past tended to submit a global rent figure.



## 2. THBS, Supporting People and the Welsh Policy Context

In attempting to understand why the Transitional Housing Benefit Scheme has been implemented in the way it has in Wales, it is important to set our findings in two specific contexts. First, because *Supporting People* is the responsibility of the Welsh Assembly, the implementation of THBS must be understood in the context of the political and funding environment that is particular to Wales. Secondly, there is a history and culture of Housing Benefit administration over the years which forms the backdrop to the new, and in some ways alien, task of making decisions about support costs.

### 2.1 The implementation of Supporting People in Wales

In all the countries of Great Britain, Housing Benefit has been for some time a major source of income for the large and diverse range of supported accommodation provision that has developed in the absence of any national or local strategy for support services. Equally importantly, it has been funded in a complex and fragile manner. The supported accommodation sector grew rapidly during the 1990s with the development of community-based alternatives to residential care. In 2003, the different sources of funding will, with the exception of Supported Housing Revenue Grant (SHRG) in Wales, be brought together into a single pot of money, the *Supporting People* Revenue Grant (SPRG).

The continued existence of SHRG funding, which is for a limited time only, is the main difference in the funding of *Supporting People* between Wales and England. Until April 2006 Welsh local authorities will fund provision for older people in all sectors and

community care provision and the Welsh Assembly will fund what is currently funded through SHRG and other provision for groups such as ex-offenders, women escaping domestic violence, and homeless people, which do not have SHRG coverage. The current Welsh arrangements are described in *Supporting People in Wales: the next steps towards implementation* (National Assembly for Wales, 2001). Timetables, too, are different. Local authority community care projects need not come into the pot until after April 2003. As in England projects have received confirmation that they will continue to receive the same level of funding post April 2003 as before until scheme reviews are carried out at which point service configurations may change. Section 9 of *Supporting People in Wales* proposes that funding should be united into a single grant to be administered by local authorities by April 2006. Detailed guidance is to be issued in March 2002. An important element of the English arrangements is that resources are ring fenced. In Wales the money is to be unhypothecated. This means that the transferred resources can be used for any purpose determined by the local authority.

Finally, Wales is different from England in many ways. It is a small, mainly rural country, and compared with England there are far fewer organisations (local authorities and providers) who are the key stakeholders in THBS and *Supporting People*. People therefore tend to know each other and have more experience of working together. Although this does not guarantee close and collaborative working over *Supporting People* (the attitudes and commitment of key individuals will also be

influential), the conditions for successful joint working are at least favourable.

## 2.2 Structure of local government in Wales

In England the implementation of THBS is complicated by the fact that *Supporting People* authorities are often dealing with a number of districts which can be operating different policies and making different decisions about the rent/support split. In Wales this is not a problem as all 22 Welsh authorities are unitary. Moreover there appears to be a better track record of joint working in Wales than in England possibly because fewer individuals are involved. The trust that is so essential to successful joint working is easier to achieve when people know each other quite well. However there appears at face value to be less of an incentive for the various THBS stakeholders to work jointly in Wales because, for the first few years at least, local authorities will not have a strategic brief concerning *Supporting People*.

However, the effectiveness of joint working should not be exaggerated. It is enormously hard as a vast body of research has shown. The implementation of *Supporting People* requires a new sort of joint working between partners who do not normally have much to do with each other. Joint working around THBS, as one of the participants in the DTLR/DWP project remarked, is 'as difficult as it gets'. Webb (1991) many years ago commented that the easiest sort of joint working, that between health and social services, was a policy landscape littered with graveyards. More recent research has shown that this has not changed. Indeed with the splitting off of purchasing and providing it has got worse. Providers have no incentive to work

together. Joint working will only be successful where all parties have trust in each other and see that there are dividends to be obtained.

## 2.3 Local government/Welsh Assembly relationships

Historically, relationships between local authorities and housing associations in Wales have not been good with few associations receiving financial support from their authorities. There has perhaps been a view that 'voluntary' means 'free' or at least 'cheap' whereas voluntary can in some cases clearly be more expensive than local authority provision. This led to the RSLs in Wales arguing that protection should be given to 'unpopular' groups such as homeless people or women escaping domestic violence via a separate fund which would continue to be administered centrally, by the Welsh Assembly. Providers are also unhappy that local authority *Supporting People* resources are unhypothecated. This, they feel, will mean that there will be no commitment to homeless people or, for that matter, to any vulnerable people but to quite different spending priorities instead. Until the publication of *Supporting People in Wales* this seemed as if it would be the case. However it now appears that arrangements in 2006 will equate to those which will be operating in England.

A further problem bedevilling joint working is that the new local government structures are relatively new. Completely different alliances have to be forged against ever changing policy contexts. As in England, moreover, the voluntary sector is in danger of being squeezed out. Their local knowledge is essential particularly for needs analysis yet the new regimes require

a ‘top down’ approach to planning. In England SITRA was very active and produced a great deal of guidance on THBS. There is no directly equivalent body in Wales (although the Welsh Council for Voluntary Action has recently created a post designed to work with voluntary organisations on *Supporting People* issues). The unhypothecated nature of resources worried providers. They felt they had no incentive to co-operate with other providers when they were chasing scarce and elusive resources. Some felt they would have to close down schemes and/or reduce services.

A further key difference between England and Wales lies in the extent of uncertainty that has prevailed in Wales. Providers were, as the fieldwork started, uncertain as to the shape implementation would take. This resulted in delay when some providers, unsure about the implications of their decisions, lacked the confidence to commit themselves to particular rent/support splits.

## 2.4 The ‘cultural’ context of Housing Benefit decision making

The THBS prepares the way for the introduction of *Supporting People* by amending previous definitions of supported accommodation to bring in new and replacement provision and certain private sector provision. A new schedule, Schedule 1B, of the Housing Benefit regulations specifies, for the first time, what service/support charges are eligible. These are: (a) charges for general counselling and support (b) charges for the cleaning of rooms and windows and (c) charges for an emergency alarm system.

For some years the expectation has been placed on benefit departments to reduce

Housing Benefit’s liability for support costs by identifying ineligible service charges. From April 2000, however, this emphasis has changed. Constraining expenditure is no longer the imperative, but rather to determine *reasonable* support costs whatever their level. However, the difficulties Housing Benefit staff faced in making decisions about supported accommodation under the new THBS scheme were also evident in the past. The essence of the problem is that there is a definitional problem as to what constitutes housing management, support, and care. Research in the 1990s (Oldman et al., 1996; Cebulla et al., 1999) has shown the following:

- Some providers, particularly those who were not registered social landlords found it difficult to break a total charge into constituent parts.
- There are many, quite legitimate, ways of breaking a cost down but these will not always correspond to headings within DSS regulations.
- There was no consensus about how to cost the different aspects of supported housing and hence no standard methodology which providers or benefit assessors can use.
- Cebulla et al.’s research concluded that only a small minority of Housing Benefit claims are soundly based.

Attempts to define the non housing costs of Housing Benefit goes back some years. A number of court cases between 1993 and 1997 highlighted conflicting interpretations of what Housing Benefit could or could not lawfully fund. The transitional scheme, introduced in April 2000, was preceded by regulations giving temporary protection to supported

accommodation from the last of the court judgements in July 1997. This had ruled that only services concerned with the fabric of the dwelling relate to the *provision of adequate accommodation* could be funded through Housing Benefit. Interim regulations were published so that a period of stability for the supported housing sector could be obtained while the inter government review attempted to sort out the funding issues which have bedevilled the provision.

The new THBS represents in many ways a radical departure and it is this which has made its implementation problematic. It is different from what went before in the following ways:

- The complicated 50 per cent rule which made certain ineligible costs eligible if stipulated conditions were met was abolished.
- For the first time the regulations spelled out what was ineligible.
- (Perhaps the most radical feature) the circular encouraged HB officers to *maximise*, making it difficult for officers to determine anything ineligible.
- An explicit distinction was drawn between 'rent' and 'support'. The phrase 'support' is used to indicate those service charges which will be moved out of Housing Benefit.
- Another Government department, the Department of Environment, Transport and the Regions, has a vital interest in a change in social security policy. The changes are being made for housing rather than DSS reasons.

This report is concerned with the finding that despite the above efforts to introduce clarity about the role of Housing Benefit the situation continued to be muddled and inconsistent.

As we have mentioned, THBS is the main vehicle for funding adequately the *Supporting People* programme. Until April 2000 Housing Benefit officers worked primarily within a culture that emphasised the role of 'containing' or 'constraining' costs. Now they have been asked to adopt an essential enabling role in preparing for the implementation of *Supporting People*. Housing Benefit departments are being required to identify the resources which will go into each local authority's *Supporting People* grant from April 2003 which will pay for services for vulnerable people to assist them to live independently in the community.

## 2.5 What is a support cost?

One of the fundamental tasks for Housing Benefit staff is to decide what is an eligible support cost. A new schedule, 1b of the Housing Benefit (General) regulations sets out what 'support costs' cover:

- Charges for general counselling and support.
- Charges for cleaning of rooms and windows.
- Charges for emergency alarm systems.

The first guidance for making determinations from April 2000 was the circular A47/99 *Service charges in supported accommodation*. It explicitly accepted that certain costs, especially those relating to staff expenses and associated overheads might reasonably be classified as either rent

or support charges depending on the circumstances of an individual project. In annex A the guidance reads:

The landlord has some legitimate discretion over how to allocate the costs of these dual purpose activities between rent and service charges for support. There are a variety of models of service provision and support that might be provided by a housing manager in one and caretaker in another.

A later circular, A10/2001, discusses in rather more detail the distinction between housing service charges and support charges. It continues to acknowledge that it may not be easy to designate whether an activity is a normal landlord function which would be carried out in any housing scheme or whether it is a support service for an individual claimant. There is however a subtle difference between the two circulars. A10/2001 implicitly reduces the degree of discretion the landlord has in deciding whether to put a particular cost in housing management or support. The new circular explicitly introduces the concept of *accuracy*. Via detailed discussion and a model questionnaire for use by both Housing Benefit staff and providers the circular provides a methodology for accurately and systematically breaking down charges into rent and support. It also calls for breakdowns that are ‘reasonable, justifiable and realistic’.

A further circular HB/CTB A47/2001 was released in the autumn of 2001 which focused on frequently asked questions and

on the abiding issue of reasonableness. It also reminded authorities what Housing benefit data is needed for *Supporting People* teams.

Because the THBS has largely failed in being an accurate method of sizing the *Supporting People* pot funding and contracts to each scheme will be in terms of the total support charge going into each scheme. In addition to providing this information Housing Benefit officers must also give information about the support costs received by individual claimants in each scheme. THBS is a non cash limited but time related pot of money. The Welsh Assembly has announced (National Assembly for Wales, 2001b) that the autumn of 2002 is the point at which claims must be in if they are to be utilised in resource allocation<sup>1</sup>. At the point of the fieldwork providers were largely unaware of this.

The purpose of this section has been to set out the contexts in which THBS is being implemented in Wales. In the following three sections we turn to the empirical findings from the research. First, we explore the working structures and procedures set up by local authorities to implement both THBS and *Supporting People*. Next we examine the decision making practices of local authority Housing Benefit departments dealing with THBS claims, and thirdly, we analyse the role of supported accommodation providers in THBS and *Supporting People*.

<sup>1</sup> This message was repeated at the research workshops in Bridgend and Llandudno in October and November 2001.





### 3. Working Structures and Procedures

In 1999, circular A47/1999 set out the task for Housing Benefit authorities in administering the Transitional Housing Benefit Scheme. In short they were responsible for identifying all cases within their caseload which included costs for general counselling and support (GCS), reviewing those cases to determine that the costs attributed to GCS, ensuring that those costs were justified and reasonable, and reporting the information to the Department of Social Security (now Department for Work and Pensions).

To meet the requirements of A47, therefore, each Housing Benefit department has had to create new working arrangements and procedures to process and record THBS cases. In this section we report on findings about how local authorities in Wales have responded to the demands of implementing THBS, including the appointment of lead officers, recent initiatives such as the appointment of dedicated officers to work on the implementation of *Supporting People* with lead officers, progress towards effective joint working, and arrangements within Housing Benefit departments.

#### 3.1 Lead officers/assuming ownership

All local authorities have been required to appoint a lead officer with responsibility for overseeing and coordinating the implementation of the *Supporting People* project. In England, lead officers' responsibilities, principally about setting up arrangements for the future, were set out *Policy into Practice* (DETR, January 2001). However, the July 2001 lead officer milestone targets now include the submission of statistical returns to the

DTLR about how far their authority is progressing with the accurate representation of support costs.

In the DTLR/DWP study we found that even by the spring of 2001 the process of appointing lead officers had still not been completed. In Wales, in late 2001, there were still authorities who did not have a lead officer in place. From our discussions with Welsh local authority staff there appeared to be two issues peculiar to Wales which contributed to this delay. First, there was some uncertainty within some authorities about which department should provide a lead officer. In England, where the DTLR has the sole responsibility for ensuring the implementation of *Supporting People*, lead officers have generally been appointed from within Social Services departments. Within the Welsh Assembly Government, however, *Supporting People* is the responsibility of the Housing Directorate and some authorities have been uncertain whether lead officer responsibility at local level should therefore lie with housing departments rather than social services. This has led to some reluctance for either department to claim ownership for *Supporting People* and hence subsequent delays while the indecision is resolved.

This lack of ownership reflects one of the findings of the earlier study in which it was found that, in the local authority case study areas there was no strong sense of any individual or department making THBS the priority it needed. For Housing Benefit managers it was a necessary but not compelling task, and the success or otherwise of the *Supporting People* programme did not appear to be a major concern of Housing Benefit staff. Because

of the broad overarching responsibilities of lead officers in relation to *Supporting People*, it appears rational and desirable that they assume strategic ownership of the THBS, delegating the technical exercise, i.e. the stripping out of support from rent, to their Housing Benefit colleagues.

One of the suggestions of the DTLR/DWP study was that 'ownership' alone might be insufficient to ensure progress with THBS. There might also be the need for the person or group with ownership to have the concomitant executive authority (or 'clout') to make decisions which people in different departments would be required to respond to, for example where there was disagreement or some other difficulty. There might be little need for such clout in an authority whose officers had established a consensus and worked in supportive relationships. Such a positive environment cannot be guaranteed however, and occasions could arise where executive decisions by senior officers are needed to overcome particular difficulties or impasses.

### 3.2 The emergence of the 'implementation officer'

An important development identified through the fieldwork and workshops in Wales was the emergence of a new type of appointment, the *Supporting People* 'implementation officer'. (We will use this term in the rest of the report, although other titles were given to the post in other authorities.) No such appointment had been identified in the earlier DTLR/DWP study. The rationale for such an appointment was the recognition that lead officers (and others in *Supporting People* teams) could not devote themselves full time to the *Supporting People* project, and that a dedicated person was needed to

keep abreast of the growing amount of work that was necessary as 2003 approached. One of the problems in implementing THBS and preparing for *Supporting People* has been the competing pressures to which Housing Benefit and other departments have had to respond.

The roles and duties of the 'implementation officer' vary between authorities and can be expected to evolve over time. Some authorities are still at the stage of advertising posts. However, it seems likely that one of the positive features of the role will be to give providers a known contact to whom they can go to discuss any aspect of THBS and *Supporting People*. In one authority where an 'implementation officer' had been recently appointed, one of their early tasks was to establish contact with each supported accommodation provider so that they can work collaboratively in the near future to ensure that all the provider's support activities were identified and costed appropriately.

Some authorities, however, reported difficulties in recruiting this new breed of staff. It was felt that there were two particular problems that was hindering them. First, there was thought to be a shortage of people with the right background knowledge and expertise needed to do the job, or at least to be able to get on with the job quickly. Secondly, the short term nature of the job, and hence the limited contracts that were offered by authorities, was thought to be a possible reason why people might not be attracted to the job. In one authority, represented at the workshops, an alternative approach had been taken by seconding staff from other local authority departments to take on the duties associated with the 'implementation officer'. A separate issue



in some authorities was ensuring that money to pay for the post was released from within the authority’s unhypothecated funds.

Authorities having difficulties in recruiting, or those contemplating making such an appointment in the future, need to consider ways of overcoming these problems.

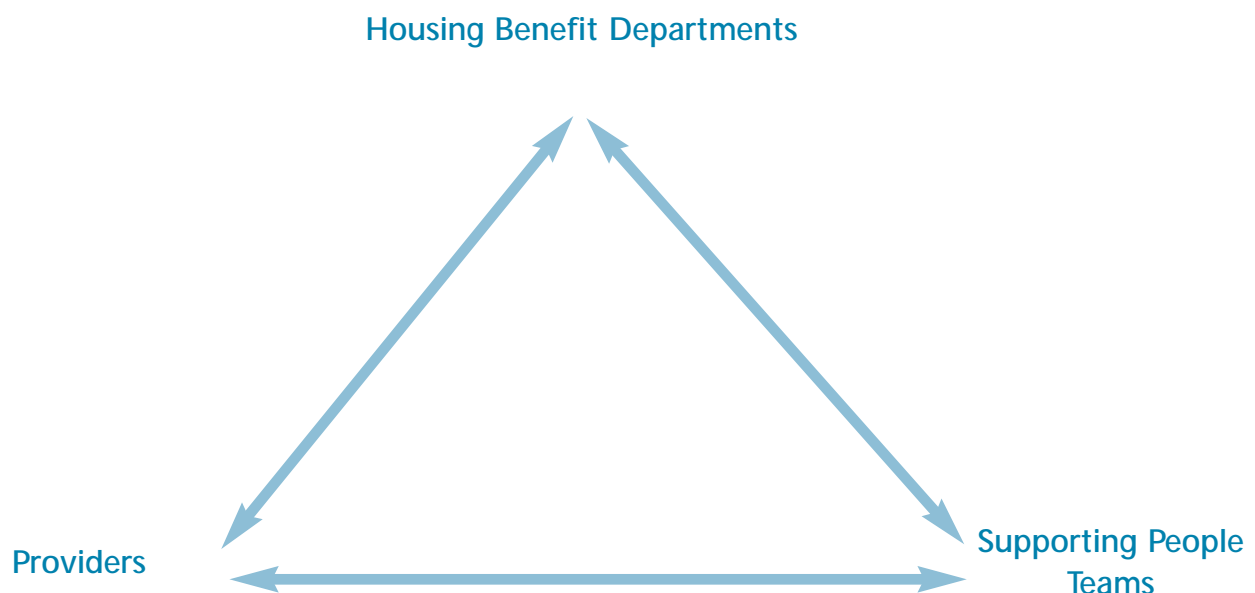
There were some early indications from the case study visits that the post of ‘implementation officer’ is viewed positively among supported accommodation providers.

### 3.3 Joint working

In the earlier DTLR/DWP study one of the principal conclusions was that for THBS to be implemented successfully, and ultimately for *Supporting People* to be successful, there needed to be a three way process of *joint working* between the key players, i.e. Housing Benefit staff, *Supporting People* teams, and providers of supported accommodation.

In the case studies and workshops in Wales, therefore, we explored with local authority staff and providers how they had tackled implementing THBS and their experiences of working in their own organisations and with other parties in administering the scheme.

As in the earlier study we found wide variations in the speed with which local authorities had recognised the significance of *Supporting People* and THBS and had set up internal systems in response. Some authorities, particularly those closely connected in some way to the events that informed the development of *Supporting People*, were knowledgeable from an early stage and began setting up internal structures such as joint working groups in advance of the start date for THBS of April 2000. It was more common however for THBS to be left with Housing Benefit departments to implement somewhat in isolation from any work connected to preparing for the transition to the *Supporting People* arrangements in 2003.



Although local authorities did not all recognise the importance of joint working at the same time, it was apparent by the time the fieldwork for the Welsh study was carried out that much progress had been made in bringing together the key players from relevant local authority departments and the provider sector.

There are different levels at which joint working has been taking place, i.e. internally within local authorities, and externally to include other key players in the supported accommodation sector. Joint working *between* local authority departments has been facilitated by the establishment of various forms of steering or working groups between the core departments: Housing Benefit, housing, and social services. The purpose of these groups is to coordinate activity between departments to ensure that progress is made in the implementation of THBS and in planning and developing systems needed for the introduction of *Supporting People* in 2003. They have been used to work out a common understanding and approach to *Supporting People*, identify where processes and procedures in different departments need to be coordinated, set timetables, identify problems in advance, provide a forum for resolving difficulties, and monitor progress.

Bringing in supported accommodation providers into joint working has usually followed the establishment of internal joint working arrangements, either by setting up a separate group (i.e. of selected local authority officials and provider representatives) running in parallel with an internal group, or by expanding an internal group to include providers. It was reported by many authorities that joint working arrangements with providers was valuable

in different ways. First, they were crucial in sharing information (including policy consultation documents, and guidance circulars which many providers have difficulty accessing), in establishing a common understanding and purpose around *Supporting People*, and in building trust (between providers themselves as well as between providers and local authority departments). Secondly, they could be used to agree timetables and milestones for moving forward and for discussing particular issues and difficulties around THBS. Thirdly, they could be used for practical tasks. In one of the case study authorities visited the joint working group had taken on the task of mapping supported accommodation provision in the area.

From the literature on joint working it is known that its success depends on a number of factors. First, each of the parties has to believe that their organisation will benefit from the time and effort required from them. Secondly, there needs to be a strong sense of ownership, with one of the main parties willing to be the main catalyst and facilitator. Thirdly, there needs to be a shared understanding of what the joint working is designed to achieve, and some willingness to trust other parties, for example in exchanging possibly sensitive information. One of the factors constraining the sharing of information is the issue of data protection. It would be useful if the Welsh Assembly sought advice from the Data Protection Commissioner and published the results of its consultation. Finally, joint working comes with a cost. There is a need for adequate resources for all the parties involved.

In Welsh authorities where joint working was reported to be working well it was clear that it was based on a shared understanding of, and commitment towards, the aims and objectives of *Supporting People* in the long term and to implementing THBS in the short to medium term. In the earlier study, the suggestion was made that building a shared understanding and a joint approach to THBS and *Supporting People* would be helped if there were 'plain English' guides produced by local authorities for distribution to providers and other interested parties. In addition there were suggestions for national documents, again in an accessible style, that would deal with salient points of *Supporting People* policy. In the study in Wales, we did not find a groundswell of opinion echoing these suggestions. This does not mean they are not desirable or sensible. It is possible that in Wales local authorities' and providers' strongly-expressed requests (perhaps 'pleas' is a more accurate description) for strategic guidance from the Welsh Assembly on the future of *Supporting People* dominated their thinking.

It is clearly for each local authority to decide the most appropriate arrangements for joint working based on its own internal organisation and the constitution of the supported accommodation sector locally. The importance and value of joint working cannot be over stated however. Joint working arrangements may be less well developed in some local authorities than others but there is still a compelling need to see *Supporting People* and THBS as representing a common enterprise which ultimately should lead to improved provision of support services to people who need them.

Conditions are possibly more suited in Wales to joint working than in England. All authorities are unitary authorities, the size of the supported accommodation sector is relatively small, and providers are either well known because they cover significant parts of the country and have a high profile or because they are locally based. These conditions should facilitate joint working at authority level and also at a national level.

#### *Mobilising interest from senior officers and elected members*

One of the most consistent findings among local authorities taking part in the earlier DTLR/DWP study was the apparent lack of knowledge and lack of interest in THBS and *Supporting People* from senior officers and elected members. This finding was echoed in this study also. There was very little evidence of many senior officers or members having an awareness of the significance of *Supporting People* nor, importantly, mobilising the kinds of resources required (for internal administration, and for funding joint working).

As suggested in the earlier report, part of the task of 'owning' the implementation of the THBS should be to raise its profile. Lead officers need to convince Chief Executives, other senior staff and, through them, elected members of the crucial relationship between THBS and *Supporting People*. There is possibly a role here also for the Welsh Assembly in raising awareness and thus supporting local authority staff with the responsibility of implementing THBS and *Supporting People* on the ground.

### *Joint working across Wales and with the Welsh Assembly*

There was a strong recognition among Welsh authorities that THBS needs to be implemented successfully across all 22 authorities, and that any deficiencies in the information provided to DWP could have a negative impact across Wales. It has not yet been made clear by the Welsh Assembly how the *Supporting People* 'pot' for Wales will be allocated after 2003. Some officers think that allocation on a 'formula' basis (for example, on some measure of need or deprivation) will disadvantage those authorities whose support costs are high (because all provision has been identified and costed accurately) in comparison to other authorities whose costs are low because they have failed to identify the appropriate costs accurately. There was some feeling that the Welsh Assembly should be working with local authorities to ensure that this possibility is avoided.

One suggestion that might contribute to a greater understanding of THBS and *Supporting People* across Wales was the establishment of a national forum which would bring together senior Housing Benefit managers. This could contribute to a more consistent approach towards THBS claims and towards maximising the pot. It was felt that the Welsh Assembly could broker or host such a forum.

A frequent comment from local authorities in Wales was that there was a lack of strategic direction coming from the Welsh Assembly about how *Supporting People* would be administered in the future (including how *Supporting People* funds would be allocated) which hampered their own thinking about how to work with providers in maximising the pot.

### 3.4 Administering THBS within Housing Benefit departments

#### *Staffing*

By the time of the fieldwork for this project, the THBS had been in operation for nearly 18 months. Local authorities had therefore had ample time to appoint and train staff to work on processing THBS claims and there were no reports of enduring difficulties.

For most authorities in Wales the scale of the work generated by THBS required no more than two or three staff to be assigned to work which also formed part of their wider duties. The Housing Benefit manager also undertook some of the assessment work, particularly on problematic cases, and most of the direct contact with provider organisations.

An important point was raised during one of the workshops about the future of staff working on THBS and, more widely, on the implementation of *Supporting People*. It was recognised that the tasks associated with the transitional period up to April 2003 would largely disappear afterwards. Therefore thought was needed before this date about how to retrain and redeploy appropriate staff currently working on THBS.

#### *Information technology*

In the earlier DTLR/DWP report it was reported that many authorities had had, or were still enduring, problems with their IT connected to THBS. In this study, it was rare (i.e. in the autumn of 2001) for any Welsh authority to raise IT as a major area of concern. However, there were concerns in some authorities about the quality of the

management information being produced by their software systems.

### *Management information*

As in the rest of the UK, Welsh local authorities are required to provide data on support costs to DWP via statistical returns 121-124. There is still some doubt about the value of the information provided so far for a number of reasons (some of which will be explored in the following section on *THBS decision making*):

- local authorities are still slow in separating out support costs from the rents of their own supported accommodation, particularly sheltered housing stock.
- the level of private landlord provision remains very low, raising worries about the extent of unidentified provision.
- generally, levels of support costs are low in Wales, but there are indications that some providers will be reviewing their costs in the future.

As in the rest of the UK, until all support cases have been reviewed, the management information from many authorities must be considered to be a substantial under-estimate of total support costs.

### 3.5 Future pressures

The initial objective for local authorities set out in circular A47/99 was to review existing caseloads by April 2000 and identify and cost eligible support charges. This must now be seen to have been a totally unrealistic expectation. Very few authorities in England, Scotland and Wales were able to meet this objective; some had

not even begun the task before April 2000. For many authorities, possibly the majority, the task of reviewing support costs within their own stock had still to be completed as late as the autumn of 2001.

In the remaining time that the transitional scheme has to run it is possible that much of the work in reviewing cases carried out so far will need to be repeated to ensure that initial breakdowns of rent and support costs are as accurate as possible, particularly where these are likely to be reviewed by the provider organisations themselves in any case.

It may be advisable therefore for local authority Housing Benefit departments to consider the implications for their staffing and workload, and where possible begin the process of securing the necessary resources from *Supporting People* monies or elsewhere.

### 3.6 Summary of lessons learned

#### *Lessons for local authorities*

- Implementation of the THBS needs to be recognised as a three way process of communication between the three stakeholders: Housing Benefit staff, lead officers and, importantly, providers. Implementation of THBS should not be seen as Housing Benefit's responsibility only.
- THBS needs to be 'owned'. It is suggested that lead officers assume strategic ownership working with Housing Benefit departments. Ownership of THBS should result in lead officers convincing Chief Executives, senior staff and elected members that THBS should be given more priority and resources.



- Joint working forums should, where they are not already, be set up as the principal means of getting all the relevant parties together, and of ensuring that they work together to maximise the pot for their local area.
- A ‘plain English and Welsh’ brochure on the local significance and implementation of THBS could be produced and widely distributed. The same brochure should be distributed to all the three principal parties
- Implementation of THBS requires adequate resources. Appropriate senior officers need to be aware of the importance of resourcing THBS adequately. Any incorrect decision making that results from under-resourcing is likely to inadequate funding of *Supporting People* after 2003.
- In planning for the period up to April 2003, Housing Benefit departments should be aware that many, and possibly all, rent/support breakdowns will need to be reviewed at some time.
- The Welsh Assembly could facilitate cross authority forums of Housing Benefit officers to encourage a consistent and high quality approach to THBS.
- Stats 121-124 forms will underestimate support where a local authority’s own stock has not been reviewed yet. This must be taken into account in any ‘sizing the pot’ estimates that are made. Management information generated by THBS software systems is still likely to be incomplete, and likely to change in the next six to twelve months.
- Consideration should be given to providing local authorities with sufficient additional funds (separate from new grants for implementing *Supporting People*) to administer THBS, including resources for associated tasks such as the production of leaflets and other publicity material.
- The Welsh Assembly should consider seeking, and publishing, advice from the Data Protection Commissioner about the legitimacy of local authorities, providers and others sharing information about individual clients and claimants.
- The Welsh Assembly Government has a role to play in educating local authority Chief Executives, senior officers and elected members about the importance and urgency of implementing the Transitional Housing Benefit Scheme.

### *Lessons for the Welsh Assembly*

- There is a case for considering the production of a series of accessible information brochures or pamphlets (in collaboration with DWP) on the structure and purpose of THBS and its role in ensuring the success of *Supporting People*. The brochure could be reproduced on the Welsh Assembly’s website.
- Resources could be made available from *Supporting People* preparation monies specifically for the purpose of improving the implementation of THBS.

## 4. Transitional Housing Benefit Decision Making

The Transitional Housing Benefit Scheme requires Housing Benefit departments to undertake a new and unfamiliar set of tasks in examining the divisions of ‘housing management’ and ‘support’ costs within overall rent levels (often known as the ‘rent/support split’) and in assessing whether support costs are *reasonable, justifiable and realistic*. As we shall see, this is not a straightforward task given the considerable discretion allowed supported accommodation providers within the THBS regulations to decide where the balance lies between housing management and support.

In making decisions about rent/support breakdowns, local authorities have received a series of Housing Benefit guidance circulars from the DWP. The first of these, A47/99, elaborated the relevant regulations and in particular set out clearly which service charges were eligible as ‘general counselling and support’. Circular A10/2001, issued in early 2001, provided further guidance on a range of issues including the distinction between rent and support. It also contained a questionnaire designed to help providers in the task of supplying the local authority with the information they needed in order to make decisions quickly and accurately. A further circular, A47/2001, issued in October 2001, contained more guidance on what constituted ‘reasonable’ support costs, and on other issues such as registered accommodation and care leavers. The fieldwork for this study took place just before the issue of A47/2001.

In the fieldwork visits and the workshops we explored with local authority staff the issues and concerns they had with

processing THBS claims. (We also gathered information on the experiences and perspectives of supported accommodation providers, which are reported in the next section.) In analysing the data collected in the visits and workshops it became apparent that the level of concern expressed about some of what we might call the ‘technical’ aspects of decision making were not as great as those expressed by authorities in the earlier DTLR/DSS study. By ‘technical’ aspects we mean, for example, making judgments about rent/support splits, assessing eligible and ineligible costs, and assessing reasonableness. In the first part of this section we reflect on the possible reasons for this finding, and the implications for the future of THBS.

In the second part we deal with the ‘technical’ aspects of making THBS decisions mentioned above. Assessing claims for THBS has been a new task for Housing Benefit departments whose staff have had to face a number of difficulties and concerns, many of which were described in the earlier report on the DTLR/DWP study. In this project Housing Benefit staff in Wales made reference to the same issues although their responses were perhaps less strongly expressed than in the earlier study. These included:

- Assessing the balance between rent and support.
- Assessing eligible and ineligible costs.
- Assessing reasonableness.

The third part of this section explores a number of contextual and strategic issues

related to the technical job of deciding claims:

- concerns about scrutiny by audit.
- the new exhortation to ‘maximise the pot’.
- significant dates related to governmental decisions on THBS funding.

The section closes with a summary of lessons learned.

#### 4.1 The legacy of costing support in Wales before THBS

The finding, mentioned above, that concerns over THBS decision making appeared to be less in this study compared with the DTLR/DWP study is undoubtedly affected by the timing of the study in Wales, i.e. some 6-8 months later than the earlier work. In the time between the two projects local authorities had had the benefit of using the circular A10/2001, as well as simply more experience in dealing with claims.

However, our analysis also suggests that a separate influence on how providers have presented their rent/support breakdowns for THBS purposes is how rents and support costs have been treated in the past. There seems to have been a common tradition or culture in Wales across many authorities of paying relatively small amounts in Housing Benefit for support. It is difficult to discern how or why this tradition arose, it may have been the result of a cautious approach to Housing Benefit administration or a protective stance towards the authority’s finances. However, it seems also that supported accommodation providers have responded by becoming modest in their claims and

expectations (one provider described their own approach as ‘penny pinching’). For example, many services have relied on the goodwill of volunteers or very low paid workers, rather than being provided at a market rate. Other services may have been restricted in order to keep their costs low.

The historical attitudes of local authorities and providers therefore have been mutually reinforcing, resulting in modest claims and low payments. Providers have included only small amounts for support in Housing Benefit claims and local authorities have been (by their own admission) ‘tough’ or ‘tight’ on the amounts they will pay. Hence, claims in Wales for THBS have not, in general, been very high compared with the previous levels of rent claimed.

It is against this background culture that THBS and *Supporting People* entered the scene in 1999 and 2000. The new message that (a) support services can now be provided more on the basis of what people need rather than what providers think they can attract funding for and (b) that support costs can be charged fully against THBS (as long as they can be justified) represented a huge culture shift for many local authorities and providers. It is not surprising therefore that some have taken a long time to adjust to the new ethos of THBS and *Supporting People*, and to acquire the confidence and trust that they are ‘doing the right thing’ and not taking on large risks.

At the time of the fieldwork and workshops in Wales, there had been relatively few large increases in rents based on large rises in general counselling and support costs (at the sorts of levels being witnessed in some English authorities in 2001, where claims in the region of £700 to over £1000 were emerging). This situation may change in



future. There was some evidence that providers were recognising relatively late in the day the opportunities provided by the THBS transitional period for reassessing their services and their costs. Some providers had already submitted increased claims and it is likely that, as knowledge of this practice and its success spreads, more providers will begin to submit higher claims. If this does happen, then local authorities may find themselves having to rethink how they deal with ‘high’ claims and may want to consider whether some form of specialist committee or group (along the lines of those that have been set up in some authorities in England) should be established or at least discussed as a possibility (see *Assessing reasonableness* below).

Lead officers have been encouraged to ‘maximise the pot’ but it is difficult to identify where this is being done as intended and where it is more opportunistic, for example in moving costs from social services budgets to THBS, or where tenancies are created or redefined to take advantage of the THBS provisions (thereby raising the suspicion among some benefit staff that tenancies might be ‘contrived’ within the meaning of the Housing Benefit regulations). There is perhaps a need therefore for further guidance on such ‘cost shunting’ and contrived tenancies.

Overall, THBS was difficult to assimilate in 2000. This is probably not surprising. Organisations, on both sides, used to working within the constraints of insecure and limited public funding are bound to

receive the apparent gift horse of THBS with some caution. As one senior local authority official said "Fine, if there's money to be had and we are able to change our way of funding these schemes and get money from the DSS. But in my experience there is no such thing as a free lunch, I've got to be convinced that it is the way we're supposed to be doing it."

The evidence from the fieldwork and workshops was that awareness among providers of the opportunities afforded by THBS was, in the early days, only present in providers such as RSLs and the larger voluntary organisations. However, in later 2001, the message had at least been heard by most providers even if they had not made any specific response to the opportunities available.

The implication of this analysis is that local authorities should be prepared for some, possibly many, of their local providers taking the opportunity in the time up until 2003, to reassess the costs and funding of the support they provide either direct to their tenants or through a managing agent. This suggests that local authorities should be proactive in discussing with local providers their plans for reviewing costs (and changing the extent or nature of their services) so that they, and the Welsh Assembly, are fully aware of the likely demands on the *Supporting People* pot after 2003. Finally, there has been a legacy of less than harmonious relations between some local authorities and some housing associations in Wales. This will have to change if the implementation of THBS and *Supporting People* is to succeed.

## 4.2 Issues around the 'technical' aspects of THBS decision making

### *Assessing the balance between rent and support*

The difficulties that Housing Benefit staff in Wales encountered with assessing rent/support splits were similar to those reported in the DTLR/DWP study. Housing Benefit departments were faced with sometimes wide variations in both the total level of charges and in the apportionment of rent and support costs. Issues around reasonableness are discussed below, but a separate issue was how Housing Benefit staff should respond to differences in the extent to which providers chose to 'load' their costs into either the support element or the housing management element. There were also problems for Housing Benefit staff when a clear distinction between rent and support was not apparent, i.e. when a particular activity of a supported accommodation worker had elements of both general counselling and support and housing management. (The earlier report cites the graphic example of helping to cook an omelette, which might be categorised as either support if it is part of a programme of moving a resident towards independent living, or as housing management if it is to make sure that a house does not burn down.)

Some providers reflected that they had made little more than best guesses about how to apportion costs, though Housing Benefit staff rarely challenged these. Where issues around the rent/support split had arisen, it was recognised that face-to-face discussions and negotiations were usually the most effective means of resolving them.

### *Assessing eligible and ineligible costs*

Housing Benefit staff taking part in the project did not raise general concerns about making distinctions between eligible and ineligible costs, a practice that had been required by Housing Benefit regulations before the introduction of THBS. The guidance contained in circulars A47/99 and A10/2001 (and the questionnaire attached to the latter) were considered helpful by many people in the study who had seen it. However, it appeared that many providers, who could have been helped by the circular, were not aware of its existence.

There were still cases where it was necessary to challenge what appeared to be concealed, unspecified, ineligible costs within an overall rent, but these did not seem to be common.

### *Assessing reasonableness*

Circular A10/2001 states clearly that the support costs in THBS claims must be reasonable, justifiable and realistic. These three concepts are not immediately self-explanatory to staff who administer Housing Benefit and in discussions were usually conflated under the single notion of 'reasonableness'.

The questions that staff felt they had to address were set out in the earlier DTLR/DWP report but bear repetition here. They are set out in the figure below.

### Questions that had to be considered in assessing the ‘reasonableness’ of support costs in THBS claims

- was a particular support service appropriate at all for the type of tenant?  
 Housing Benefit staff did not know whether help with cooking, or cleaning, for example was appropriate for someone with a history of alcohol or drug dependence.
- if it was, was it the right amount being provided?  
 if it was decided that a service was justified then how many hours per week should be provided?
- was it being provided by the right kind of person?  
 in some supported accommodation schemes it appeared that relatively simple, unskilled tasks were being carried out by highly qualified (and therefore expensive) staff.
- was the charge reasonable?  
 this was the overarching question that led some Housing Benefit staff to question, for example, whether wage rates were too high.
- was the reason why some projects’ costs were reasonable and other, very similar projects, were not, because the former was getting significant amounts of other funding?  
 assessing the impact of non chargeable income was not easy.

*Source: Sainsbury and Oldman (2001)*

As in the earlier study, many staff in Wales felt that they were not particularly equipped to make judgments on these types of question and that they had not received training that would help them. Where doubts arose the practical responses adopted by Housing Benefit staff in Wales included:

- consulting with colleagues within the local authority.
- consulting Housing Benefit colleagues in other authorities.

However, a common approach was to accept that the costs supplied by a provider

were reasonable unless there was an immediate suspicion they might be unreasonable in some way.

We found little evidence of the use of specially-constituted committees or groups to deal with problematic cases, around the question, for example, of whether the cost of support was reasonable. A number of authorities, in England particularly, had found it useful to set up some form of ad hoc arrangement bringing together people with expertise in providing care and support to clients. Some of these were composed of internal authority staff only but some had included a trusted expert

from the provider sector. It is possible that such arrangements have not been considered necessary in Wales for two reasons. First, the number of relevant parties within each local authority area tends to be small because most Welsh authorities are not large. (Housing Benefit managers and lead officers knew all the supported accommodation providers in their area and knew key individuals within provider organisations.) It was therefore relatively straightforward to deal directly with a provider over any difficulty with a THBS claim obviating any need for some other structures for resolving difficulties. Secondly, as we have noted above, payments for support within Housing Benefit claims have historically been relatively low. In short, there has been little need to question many rent/support breakdowns.

In the DTLR/DWP report several suggestions were listed of where further guidance from DWP would be welcomed by some Housing Benefit staff. These were:

- a schedule or tariff of acceptable charges.
- some guidance on what should be considered an acceptable maximum level or ‘ceiling’ of support costs.
- a handbook of ‘worked examples’ where reasonableness was an issue.

These ideas found some support from participants in the Welsh project, particularly as there was some expectation that issues of reasonableness will feature more prominently in deciding claims for THBS in the future.

### 4.3 Contextual and strategic issues around THBS decision making

#### *Concerns about scrutiny by audit*

At the time the research data was collected for this project, no authority reported that it had had its THBS decisions scrutinised by the District Auditor. As in the DTLR/DWP study, there was a concern that some of the payments made might be deemed unjustified or unreasonable and that their authority’s subsidy payments would be restricted. This concern was only expressed in relation to what were considered to be ‘high’ claims, of which, as we have noted earlier, there have been relatively few in Wales so far.

Although we understand that in England there have been discussions between DTLR and the Audit Commission around how auditors should assess the probity of THBS decisions, it is not clear how Wales is affected. Certainly, when the research was conducted, Housing Benefit departments did not appear to have received guidance or assurances on the sorts of questions that were concerning them, such as what depth of investigation should they be making that would satisfy auditors, what supporting documentary evidence was needed, and whether it was ever correct to accept providers’ rent/support splits solely on the basis of a paper examination.

#### *Maximising the pot*

One of the overarching aims of the *Supporting People* project has been to move the provision of supported accommodation away from an unplanned, ad hoc process towards a rational, coordinated and needs-based service. THBS has been conceived as one of the principal means of realising this

objective by allowing existing provision to be costed accurately as well as allowing the development of new services. In practice, local authorities have had to be proactive in (a) identifying all providers of support services, and (b) identifying and costing those services eligible under the THBS regulations. For *Supporting People* to be funded adequately when it is introduced in April 2003, therefore, a considerable burden of responsibility has fallen on Housing Benefit departments to ensure these two aims are met.

In the first year of THBS, however, it emerged that many local authorities were seemingly identifying only low levels of support costs from the supported accommodation schemes in their areas. There was concern therefore that *Supporting People* was in danger of being seriously under-funded in 2003 and the message began to be put across, in the spring of 2001, in events organised by DTLR that ‘maximising the pot’ was the key to ensuring *Supporting People* had adequate funding. This message carried with it not only a reinforcement of the principal task of Housing Benefit departments (i.e. to find and cost accurately existing support) but the strong steer to local authorities to treat THBS claims ‘generously’. This did not mean that regulations could be ignored of course but that they should be interpreted, within the discretion allowed, perhaps more liberally or imaginatively than before. For example, authorities should accept that high support charges could be legitimate and should not necessarily arouse immediate suspicion. Similarly, increases in charges or changes in the balance of rent/support splits should be viewed in the same way. In addition, ‘maximising the pot’ carries with it the implicit reassurance to local authorities that

it is also legitimate for providers to extend existing or develop new services and acceptable for them to look to THBS to provide some, perhaps most, of the required funding.

The rationale behind ‘maximising the pot’ is clear, but the perception and interpretation of the message by local authorities and providers, and hence their practical response to this new orientation, has varied. (It is worth noting at this point that the work for the earlier DTLR/DWP study was carried out before ‘maximisation’ had become the new orthodoxy.)

In some authorities, the message to ‘maximise’ had come as a welcome endorsement of their existing approach and further encouragement to seek to develop services in their areas in collaboration with supported accommodation providers and support providers. In others, the message entered into an environment where there was already tension between cautious and suspicious Housing Benefit departments who experienced THBS as a threat to local authority funds and lead officers and their teams who saw *Supporting People* as an unprecedented opportunity to improve the provision of support services. From the timing of the research in Wales it is too early to say, at the time of writing, whether the message to maximise (which has been taken up and endorsed by the Welsh Assembly) will overcome such tensions or exacerbate them.

#### *Significant dates related to governmental decisions on THBS funding*

In the case study fieldwork and in the workshops local authorities have speculated about when decisions will be made about the size of the *Supporting People* pot for



Wales. There was a perception that they should have identified all support provision and costs by a certain date. After this ‘cut off’ date there was a danger that ‘new’ costs (due either to previously unidentified provision becoming visible, or increased services from providers) would not be reflected in the size of the ‘pot’. However, there was uncertainty about which date would represent this cut off point, and according to local authorities delegates, no indication from the Welsh Assembly. The most common estimates were March or September 2001.

There is an argument therefore for the Welsh Assembly, as a matter of some urgency, giving local authorities some clear statement of when strategic decisions will be made about funding *Supporting People*. They, and providers, can then adjust their activities accordingly.

#### 4.4 Lessons learned

##### *Lessons for local authorities*

- Reasonableness issues are likely to become more common in the next 6-12 months. Good decision making requires the input of suitably qualified staff. Local authorities should consider whether some form of appropriate cross-department or multi-agency forum should be set up to deal with difficult cases.
- Direct contact with providers is necessary to resolve issues around rent/support splits, eligibility, and reasonableness.
- There is almost certainly a need to review existing THBS assessments to ensure they are realistic, justifiable and reasonable.

- Local authorities need to follow through the implications of the message to ‘maximise the pot’ which should serve as a renewed emphasis on the importance of joint working to the success of the *Supporting People* project.

##### *Lessons for the Welsh Assembly*

- The Welsh Assembly needs to clarify its intentions around how *Supporting People* funds will be allocated from April 2003 in order for local authorities and providers to have confidence to make decisions now about costing and development decisions.
- The Welsh Assembly and DWP should clarify the effective ‘cut off’ date after which they will be using existing data to inform decisions about the size of the pot for Wales.
- The Welsh Assembly should provide local authorities with advice on what community care costs can be moved legitimately to THBS.
- DWP (with the Welsh Assembly) should keep under review its guidance on a number of issues, including:
  - reasonableness.
  - appropriate depth of investigation on THBS cases.
  - contrived tenancies.

## 5. The Role of Providers in the Implementation of THBS

It was suggested in section 2 that some providers were not very actively involved in the implementation of the THBS. They were asked for information but in most cases that was the limit of their part in the process. Consequently they had no sense of urgency that the task had to get done. However, a key finding was that providers varied. Some were far ahead of local authorities themselves and were an important source of education and advice to Housing Benefit officers. They sent in breakdowns without being asked to do so.

Supported housing rents can be very high and far exceed local reference rents. There are a number of reasons for this. Sometimes rents are high to reflect high capital costs. More typically they are high to reflect the additional support tenants get and the extra management costs to pay for higher voids rates, turnover and wear and tear.

### 5.1 An unclear and dynamic policy environment

There are a number of changes and challenges facing supported housing providers at the present time but arguably Welsh providers have a less disruptive environment to cope with than their English counterparts because the rent restructuring reforms mentioned earlier do not apply in Wales. However, Welsh providers have had to cope with not knowing how the implementation of *Supporting People* was going to happen and how they personally would be affected.

Essentially, when making decisions about rent breakdowns providers have a number of things to consider. For those providers

with tenants in and out of work *affordability* is an issue. If they get work they can no longer pay the rent if their Housing Benefit ceases or is reduced. This interaction between Housing Benefit and rent acts as a poverty trap and a disincentive to work. This is one of the problems that *Supporting People* will address but in the meantime it bears down harshly on some providers. Providers, particularly of 'unpopular' groups like homeless people, young care leavers and ex-offenders, do not know if they will continue to get support once the reforms bed down. A further worry is that much of the detail of *Supporting People* has not been settled. For example, providers do not know how the charging proposals will affect their tenants and they do not know how assessment arrangements will work.

### 5.2 Identifying providers

Housing Benefit officers have been required to identify all supported housing providers in their area. This was not difficult as far as Registered Social Landlords were concerned but the supported accommodation sector is diverse and dynamic and rarely do local directories of provision exist. Some providers put themselves forward but most saw no reason for this. Rather there was a tendency to 'lie low'. Meetings of providers were sometimes called by local authorities around the April 2000 launch of THBS but these were often poorly attended. At this stage many Welsh providers did not understand how either THBS or *Supporting People* would affect them. It was perceived there were few incentives for new providers to come along in the context of uncertainties.

The providers who were the most left out of the process were the following:

- Rural providers. This was a feature of the Welsh study which was not as prominent in England. Some small organisations were not very visible in their activities of supporting rural dwellers.
- Some providers who were not necessarily claiming Housing Benefit for their tenants but surviving on a mixture of volunteer help and other sources of funding. In some cases this could be mainstream social services funding.
- Private rented sector (PRS) landlords. This is not surprising because this tenure had only become eligible for support costs since April 2000. Providers admitted they could have made more use of both social services and the Probation Service to track down landlords.

### 5.3 Identifying provision

Identifying provision is different from identifying providers. The radical aspect of THBS which has not been self evident to either Housing Benefit staff or providers is that claims are encouraged to expand in the run up period to the *Supporting People* programme 'going live'. Providers are encouraged to increase the costs of existing services by expanding them in several ways, to develop new services and, lastly, to transfer relevant services from another source of funding to THBS. All this activity has become known as 'maximising the pot'. It became evident at the two Welsh seminars that many people did not know this was 'the nature of the game'. It also could be a source of friction between officers within the local authority as well as

between Housing Benefit staff and providers. As more and more providers became aware of the significance of using THBS to adequately fund the *Supporting People* programme they welcomed this. As one provider said:

*'We can now create the budgets we want but not be greedy.'*

Others commented:

*'For years supported housing has had to be run on a shoe string exploiting the goodwill of an army of good natured people and now at last we can get it better funded.'*

*'The circular A10 is good. It gives the green light to both Housing Benefit and providers. This is okay and we can expect rents to increase.'*

Circular A10/2001 indicates that where a community care funded project is delivering housing and support it can legitimately be moved across to THBS. On the whole this message has come in too late and opportunities have been missed. A further problem is that the issue of registration has got muddled up with the THBS. For some time now registered schemes particularly those for people with learning disabilities have been deregistered in line with policy developments to make clients' lives more empowering. THBS has been an impetus to that process but the motive has been financial. Supported housing is believed to be cheaper to the public purse than registered care. In Wales this issue was very much alive. The key problem, however, has been the inconsistency of decisions. In two neighbouring authorities the support costs in one area were £25 a week and in another £565. If provision is moving across



to THBS certain conditions must be met: the support must be housing related, getting it must be a condition of tenancy and a tenancy must be changed or established.

*Supporting People* has as one of its central aims the moving away from bricks and mortar schemes to floating support. Although it has been possible to support vulnerable people living in general needs housing for some time it is not an established provision. Some of the providers talked about their ambitions to set up such schemes but said they had insufficient time to do so within the transitional period to April 2003.

#### 5.4 The local authority's own stock

The biggest supported housing providers in an area will usually be the local authority. Sheltered housing forms the bulk of this stock. Typically costs are pooled. Tenants do not pay for support but are subsidised by general needs rents. This has to change, however, under the *Supporting People* arrangements but none of the local authorities in the case studies had shown any sense of urgency over this and one authority did not feel it had to be done. It was believed that this was an activity which could spill over into 2003 and beyond, and that the Government had not issued detailed guidance on how it was to be done. In England it was clear that authorities would be compensated for the lost Housing Revenue monies but at the time of the Welsh fieldwork no parallel announcement had been made in Wales. Some authorities were aware of the English circular *Supporting People: identifying support costs and the amount of pooled rent income financing support services* (February 2001).

Generally providers were against the inclusion of sheltered housing in the arrangements. They argued that people moved into the provision for reasons other than support and that *Supporting People* was a threat to future innovations in the sector. One sheltered housing manager commented:

*'Half those tenants in there don't need the services and we are not going to fund them to pay for them.'*

Sheltered housing already has a 'difficult to let' problem. The worry was that after April 2003 when people found out they had to pay they would no longer apply for a sheltered flat.

#### 5.5 Splitting the rent

In England providers felt that in the early days of THBS it had been 'their call'. In other words they thought they had some discretion as to whether to put costs into rent or support. The Welsh providers still seemed to believe this. There was no heightened sense of urgency and the other difference was with the exception of some learning disability schemes support costs were very low particularly in the case of sheltered housing rents. SITRA, the supported housing consultancy firm had commented as early as 1999:

*The Transitional Housing Benefit regulations rely on providers to determine what part of the costs of employing staff falls to the 'housing side', what part to 'general counselling and support' and, implicitly, what part is paid out of non rental income. The DSS guidance acknowledges the 'legitimate discretion' of providers in making decisions over this.*

Providers got advice and help from another of sources, most notably each other despite some concerns about the dangers of co-operating with potential competitors. The Welsh Federation of Housing Associations was said to have taken a back seat on the issue.

Various strategies have been suggested in deciding how to draw the line between rent and support:

- affordability strategy: pegging accommodation costs to local reference rents or below and putting the rest to support net of other funding.
- checklist strategy: having netted off other funding apportion the actual costs of housing and support according to some time sheet activity which shows which is which.
- cautious strategy: maximise housing costs because there is so much uncertainty about what will happen to the funding of support after April 2003.
- maximisation strategy: maximise the support pot and keep rent affordable.

Most of the providers in the sample followed the 'cautious' strategy although a few were beginning to realise the importance of pursuing the opposite strategy 'maximisation'.

The THBS circulars remind providers of the wisdom of taking another look at rents and re-submitting breakdowns. In our sample, however, at the point of the fieldwork few were doing this. Providers who had seen them found the circulars helpful but not all providers knew about them. Housing Benefit officers could be very selective in

what extracts from circulars they sent providers. Nor were providers necessarily on the Welsh Assembly circulation lists.

Both central and local government have had insufficient understanding of the technical complexity involved in costing each element of the rent. Not only are providers used to sending in global figures, some seem to be ignoring THBS and have made no change at all to existing rent levels except one to reflect inflation. Much supported housing is managed in partnerships between RSLs and voluntary sector specialists and it is the latter that sets the rent. Nevertheless often little communication has taken place about THBS over rent changes and RSLs were sometimes unhappy about decisions that their agents had taken. Even experienced national providers have taken some time over the task. A common complaint from providers was that they received little feedback from Housing Benefit Departments once they had sent their charges in. Some providers were largely ignorant about what they should be doing. It has been suggested that the bigger providers should give advice and support to these, often, voluntary sector providers. A key issue, however, constraining joint working between providers is that commercial sensitivity may act as a barrier.

Providers, typically, work with more than one authority and this is where the greatest weakness associated with implementation could be found. More serious than low costs being reported was that fact that Housing Benefit staff differed, in some cases, quite wildly, from each other. The result is that in some areas vulnerable people may be poorly supported after 2003.

What local authorities found hard was to assess similar projects which had different support costs. This could be explained by one scheme having SHRG or other funding where the other did not. However, it could be hard for Housing Benefit staff to realise this.

## 5.6 Lessons from providers, lessons to providers

### *Lessons from providers to local authorities*

- Providers, particularly small providers could benefit from more technical, financial help.
- Providers would like more strategic advice from implementation in the form of firm commitments.
- Providers would like more feedback from Housing Benefit departments after they have submitted claims.

### *Lessons from providers to the Welsh Assembly*

- There is probably a limit to what can be done to persuade Housing Benefit staff to scrutinise breakdowns more closely. Instead effort should be made to communicate the importance of the THBS.
- The Welsh Assembly needs to work with the national provider organisations so the latter can

communicate the continued importance of the THBS.

### *Lessons for providers*

- Providers need to be made more aware of the urgency of providing rent/support splits.
- Providers need to be persuaded that it would be expedient to re-examine rents.
- The dangers of loading costs into the rent element need to be explained to some providers.
- Providers need to be told that there is less discretion in the system than they believed.
- Landlords and managing agents need to work more closely on rent and support.

In conclusion it is crucial to involve providers in THBS. Providers want technical, financial help. But they also want commissioners to recognise that they have legitimate worries about the future. To produce definitive rent and support breakdowns they need to be confident that they will continue to be supported at least in the short/medium term future.



## 6. Overview and Conclusion

In this final section we draw together some of the main themes and issues that have emerged from our research into the Transitional Housing Benefit Scheme in Wales. For this section we have drawn on the information gathered during the four case study visits and the two workshops, and on the findings from the earlier study into THBS for DTLR and DWP. We have also drawn on our own reflections from carrying out the case studies and participating in the workshops. We concentrate on what might be done by local authorities, supported accommodation providers and the Welsh Assembly to promote the successful implementation of THBS.

One of the main conclusions from the research is that THBS has been implemented very unevenly across Wales. In previous sections we have drawn attention to what we have identified as the contributory factors for this finding. In brief, these can be summarised as follows:

- Lack of awareness of requirements of THBS implementation.
- Lack of awareness of the importance of THBS for the successful implementation of *Supporting People* in 2003.
- Uncertainty created by the delay in resolving issues about the transfer of resources to the *Supporting People* (in particular SHRG monies).
- Uncertainty about how to deal with THBS claims, and how to assess 'reasonableness'

- 'Cultural' differences between Housing Benefit departments and *Supporting People* personnel.
- Barriers to joint working created by the decision that *Supporting People* funds to local authorities will be unhypothecated.

The extent to which these issues have been recognised by local authorities and the responses made to them have also varied across Wales. Some local authorities and some providers were quick to recognise the importance of THBS and *Supporting People* and start to make arrangements for their implementation. As problems and barriers arose, some authorities were also quick to respond constructively. In some cases, potential problems could be avoided by taking pre-emptive action with appropriate people inside and outside the authority. However, it was perhaps more common for barriers to implementation not to be recognised resulting in an inadequate response, or no response at all.

In the next parts of this section, we firstly summarise what the remaining barriers to implementation are, and secondly, drawing on the 'lessons learned' in previous sections set out what the overarching approach from local authorities, providers and the Welsh Assembly could be for the remainder of the transitional period to April 2003.

### 6.1 Remaining problems and barriers to implementation

There is no single reason why implementation of THBS has not been implemented quickly and smoothly. However, some of the remaining problems and barriers outlined below are connected

in some way. For example, effective joint working has been hampered by the lack of ownership of THBS and by a lack of trust between some key stakeholders.

### *Lack of progress*

In the course of this research, most local authorities have acknowledged that they still have some way to go before the full extent of support is known and costed accurately. The following tasks were mentioned:

- Identifying landlords in the private sector who might be eligible for THBS.
- Carrying out rent/support splits for the local authority's own stock.
- Working with providers to ensure that all eligible support costs have been identified.
- Scrutinising existing rent/support splits to ensure they were the most accurate representation of 'reasonable, justifiable and realistic'.

### *Lack of ownership*

THBS started life, perhaps understandably, as a predominantly Housing Benefit responsibility. Its links with, and its importance for, *Supporting People* were therefore rarely recognised. As a result the burden of implementation has often fallen solely on the Housing Benefit departments. Without the early support of lead officers, THBS has not received the level of commitment and resources that are needed in the face of competing demands and pressures and in the context of considerable upheaval in local government structures.

### *Lack of shared understanding and joint working*

In the course of the research in Wales we came across many examples of effective joint working in some local authority areas between *Supporting People* staff, Housing Benefit officers and supported accommodation providers. However, there were as many instances of joint working not happening. Within some local authorities, there were still tensions between lead officers keen to develop services and Housing Benefit managers who continued to see their principal responsibility as safeguarding local authority funds.

The new emphasis on authorities 'maximising the pot' has added a fresh impetus to the need for joint working. In particular, providers need to be brought fully into joint working arrangements. However, many providers still feel excluded.

### *The problem of a lack of trust*

To be effective joint working relies on there being a high level of trust between the relevant parties. In Wales there appears to have been a number of barriers to trust which have built up over a number of years between local authority departments, Registered Social Landlords, and other housing providers, in the voluntary sector for example. The reasons for these barriers are diverse but what is important at this stage is to find ways of overcoming them. In addition, THBS and *Supporting People* have required joint working between people who previously have had little connection (such as Social Services and Housing Benefit staff). This has meant that new relationships of trust have had to be



developed, and as we have seen this has not always been easy and straightforward.

### *Providers struggling with THBS and Supporting People*

A finding from the earlier DTLR/DWP study was that support costs identified through THBS have generally been lower than expected. Part of the explanation for this was that providers had tended to load the rent/support split towards the rent element rather than into support. The same phenomenon was observed in the Welsh study also. However, in addition, the long-standing culture of providers putting in few support costs into Housing Benefit claims has further contributed to low costs within THBS.

There is, therefore, still a job to be done in educating providers about *Supporting People* and what is needed from them before April 2003. Many also need levels of help that local authorities are either unwilling or unable to give.

### *A climate of uncertainty*

One of biggest barriers to the successful implementation of THBS in Wales has been a general climate of uncertainty about the strategic direction of *Supporting People* and the funding arrangements that will be put in place for April 2003 and beyond. This uncertainty had a number of sources. First, the consultation document on the proposed funding arrangements for *Supporting People* (National Assembly for Wales, 2001a) had been widely interpreted as indicating that SHRG funding would continue. Although at the time the continuation of SHRG was only a proposal and not a decision, many providers were considering their future, and hence how to

present THBS claims up to 2003, on the basis of an uncertain funding environment. Second, the decision of the Welsh Assembly to provide *Supporting People* funds to local authorities as unhypothecated monies created fear among all providers that funding intended for supported accommodation would be used by local authorities for other purposes. A third source of uncertainty was speculation about the future of Housing Benefit which has had an agenda of 'reform' for a number of years.

Some providers have had to face difficult decisions therefore about how to load their rent and support costs in THBS claims, perceiving that the viability of their schemes has been at stake. As we have noted in section 5, some providers were considering closing down or restricting the scope of some schemes in order to protect themselves from possible untenable financial pressures later.

The announcement that SHRG funding will not continue beyond 2006 and that funds will then transfer to the *Supporting People* pot (National Assembly for Wales, 2001b) was made after the case study visits had been carried out but before the workshops. At the workshops, therefore, providers and local authorities were still at an early stage in their thinking about the implications of this somewhat unexpected decision.

There was also some confusion about the relevance of THBS for sizing the pot given the announcement in the summer of 2001 that the initial *Supporting People* budget in 2003 would not be based on THBS data as originally intended. Some local authority staff and providers were therefore unclear about the extent to which they should be devoting scarce resources to THBS.



## 6.2 Possible courses of action

As we mentioned earlier in this section, one of the main conclusions from the research is that THBS has been implemented very unevenly across Wales. When the research was carried out some 18 months into the transitional period (i.e. half way towards implementation of *Supporting People*) very few local authorities were in the position that central government departments expected them to have reached by April 2000. It is probably fair to say that the expectation that Housing Benefit departments would have identified and reviewed all cases where support costs were being paid was unrealistic.

Implementing THBS has proved to be a far more demanding technical task for local authority staff and providers to accomplish than envisaged by policy makers, notwithstanding difficulties created by competing administrative demands and political upheavals.

Across Great Britain THBS has not delivered data robust enough on which to base funding decisions for 2003. However, DTLR and DWP still require high quality data from THBS in order that funding in subsequent years has a firm grounding in real costs.

If THBS is ever to produce such data, progress from this point needs to be made urgently. In the previous sections of this report we have set out a number of 'lessons' aimed at local authorities, supported accommodation providers and the Welsh Assembly which could be used as the basis for action. However, we must emphasise that the ideas and suggestions presented have not been evaluated in any systematic way, but from the endorsements of some of the participants in this research

we are confident that each idea does at least appear to have some *prima facie* merit.

Some authorities in Wales have clearly made good progress in implementing THBS and are developing ideas for improving the quality of their data and for dealing with remaining barriers. Successful implementation is therefore not an impossibility. The problem for the Welsh Assembly (and central government departments such as DWP and DTLR) is to ensure that the authorities currently performing less well come up to the standards of the best.

The areas where urgent action is most needed at the local authority level are as follows:

- Providing help for providers.
- Joint working.
- 'Ownership' of THBS.
- Mobilising support from senior officers and elected members.

In addition, the Welsh Assembly has a key role in providing the leadership that both local authorities and providers have told us in the course of this research that they would welcome.

### *Technical and strategic help with THBS and Supporting People*

Some authorities still need technical help. Guidance has been produced by DWP in a number of Housing Benefit circulars but there is a need on the part of many Housing Benefit departments for continued guidance on a range of issues. Some Housing Benefit staff have commented that access to knowledgeable staff in DWP

headquarters has been useful and welcome. Some thought could be given about how all local authorities could be encouraged to use this source of advice when needed. In the DTLR/DWP report the following were particularly identified as being common areas of concern among Housing Benefit staff, and these were also raised during the fieldwork and workshops in Wales:

- how to assess 'reasonableness'.
- appropriate depth of investigation on THBS cases.
- how to deal with support costs coming from Social Services departments.
- the extent to which local authorities can advise providers.
- preparation of Stats 121-124 returns.

### *Joint working*

Joint working is the key to the successful implementation of THBS. Joint working is required between three principal parties: Housing Benefit departments, *Supporting People* lead officers (and their teams) and providers. It is needed within local authorities, and between local authorities and the outside world. There needs to be a mutual understanding within authorities about the aims and objectives of *Supporting People* and THBS, and about how different local authority departments can work together to ensure that all provision is identified and costed.

Crucially however, joint working must involve provider organisations. These are the people that deliver support services that are needed by vulnerable people. Providers need to be properly financed,

and they need to have some form of security that they will be able to deliver services in the future. Proper financing in the future relies on providers and local authorities working together now to identify fully all legitimate support costs.

Where joint working arrangements are not in place therefore, lead officers should identify the key individuals within and outside the local authority and convene an appropriate forum for the purposes of progressing THBS as a matter of urgency. There is already expertise in some authorities in Wales that other authorities could draw on.

As mentioned in section 3, joint working between local authorities in Wales should be facilitated by their small number. Developing a shared approach to THBS and sharing experience and expertise can only improve the chances that *Supporting People* in Wales is funded adequately in 2003 and subsequent years.

### *Ownership*

Closely tied to the issue of joint working is that of 'ownership'. There needs to be a clearly recognised leadership and coordinating role located with an individual local authority officer. It is suggested that this strategic ownership should lie with the *Supporting People* lead officer. They should have the backing of chief officers and elected members, and the authority to take executive decisions when necessary to overcome any barriers or impasses that cannot be resolved by negotiation and consensus. This ownership role should be understood and accepted by other key players within local authorities.

The ownership role can be strengthened by the appointment of dedicated *Supporting People* 'implementation officers' (whose emergence has been described in section 3).

### *Mobilising chief officers and elected members*

Lead officers, Housing Benefit staff and other key local authority officers need the support and backing of chief officers and elected members. There is still a job to be done, therefore, in educating senior officers and members and raising their awareness and understanding of the importance of THBS and *Supporting People* for some of the vulnerable groups of people living in their areas. The responsibility for achieving this can be taken on within the authority by lead officers, but there is also a role for the Welsh Assembly here. This will be part of the leadership role for the Assembly discussed below, but there are a variety of methods that could be employed actively and creatively, including:

- personalised communications to members and chief officers to ensure that the addressees actually see and read letters.
- E-mail communication with key officers, keeping them up to date with developments, and reinforcing action that they need to be taking.

### *Increasing the involvement of the Welsh Assembly*

The Welsh Assembly is responsible for implementing *Supporting People* in Wales. They ultimately make decisions about the strategic direction of the policy - what pattern of services is desirable in Wales, how they should be promoted - and how

funds will be allocated to local authorities in support of these policy aims. There is a clear and expressed desire from local authorities and providers for more clarity about what *Supporting People* is intended to achieve and how THBS is meant to contribute. Experience to date has been characterised by delayed publication of policy and consultation documents from the Assembly and of continuing uncertainties that create problems for all parties in administering THBS appropriately.

In particular, clarity is needed about how the message to 'maximise the pot' is to be translated into decisions about rent/support splits and about the expansion and development of services. Although at the time of writing no decisions had been taken by the Assembly about how *Supporting People* monies will be distributed after 2003, some reassurances about secure funding are needed. Confidence in the Welsh Assembly has been undermined recently by, for example, the reversal of the previous position on SHRG.

In short, many local authority and providers were calling for strengthened leadership from the Welsh Assembly. Local authorities and providers needed to know how they stood in relation to the Assembly's thinking about the future, to have some basis on which to make their own decisions about their organisations. The experience of the research workshops might serve as an example here about how to convey the Assembly's thinking to key players. Further opportunities should perhaps be sought to bring together local authorities and providers in Wales on a more frequent basis.

### 6.3 Final comments

Carrying out separate research in Wales has proved valuable. The differences between Wales and the rest of Great Britain, such as the organisation of local government, the existence of the Welsh Assembly, and the close knit nature of the supported accommodation sector, account for some of the different experiences of THBS in Wales and provide some distinct opportunities for making progress.

Due to the uneven nature of THBS implementation across Wales we have serious doubts about the quality of information currently being delivered to DWP and DTLR. For the purposes of sizing the pot for April 2003 this has become less of an issue since DTLR decided to base initial budgets not on THBS but on the value of contracts between local authorities and supported accommodation providers. However, comprehensive and robust information from THBS is still required from local authorities. At the time of writing, it is difficult to predict when THBS data will reach an acceptable standard.

It is clearly still vital that THBS is implemented fully and accurately in Wales. More progress could have been made across the country as a whole but that only serves to emphasise the need to make rapid progress from now on. There are sufficient examples of good practice, which we have presented as ‘lessons learned’ in this report, for local authorities and providers to make progress themselves. But there is also a crucial leadership and communication role for the Welsh Assembly. If THBS is to be a success, and ultimately if *Supporting People* is to be introduced successfully, perhaps the key lesson from the research in Wales is that everyone, local authorities, supported accommodation providers, and the Welsh Assembly, has a mutual interest in getting THBS right. Whatever the uncertainties of 2003 and beyond, local authorities and providers that have worked together now will have given themselves the best chance of having a supported accommodation sector in the future that meets the needs of the people who rely, either permanently or for a short time, on general counselling and support services.



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