DEPARTMENT OF SOCIAL SECURITY

HOUSING BENEFIT AND SERVICE CHARGES

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RESEARCH REPORT No 55

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SERVICE CHARGES

An examination of eligible housing costs

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A report of research carried out by the
Centre for Housing Policy, University of York,
on behalf of the Department of Social Security

London The Stationery Office
We would like to thank very warmly all our respondents: Housing Benefit officers, Rent Officers, landlords and Housing Benefit claimants for the time they gave to the research team and for their helpfulness and kindness to us.

The study benefitted from the expertise of Professor Peter Kemp, Director of the Centre for Housing Policy at the time of the research. Finally, we would also like to thank Julia Chilvers and Robert Lilly, our liaison officers in the Department of Social Security, for their guidance and comment throughout the research.
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Chapter One sets out the aims of the study which were (i) to examine local authorities' and Rent Officers' treatment of service charges and (ii) to examine, through discussions with landlords and tenants, the role of Housing Benefit in supported accommodation. The chapter introduces the concept of eligible rent and discusses the respective roles of local authorities and Rent Officers in its determination.

Chapter Two discusses Housing Benefit officers' treatment of eligible and ineligible rent. The study found that it is easier for Housing Benefit officers to decide what cannot be included in eligible rent than it is for them to decide what can. Officers had difficulty defining what items were eligible within a rent because only ineligible charges are defined in law, not eligible ones.

The study found that there was confusion, uncertainty, and inconsistency as to what is a service and what is basic rent. Because rent breakdowns are presented in many different ways, officers found it difficult to determine what is an eligible service and what is not.

Housing Benefit is paying for costs which it is not intended to pay for, but the extent to which this is happening cannot be quantified. Reasons why Housing Benefit is picking up some ineligible costs include: (i) considerable latitude in the view of the respondents within the regulations and accompanying guidance, to interpret what is eligible and what is not, (ii) authorities feel they do not have the time or resources to make detailed investigations, (iii) the rent breakdowns that Housing Benefit Officers see often do not correspond to headings employed in the regulations, thus making it difficult for officers to determine eligibility for Housing Benefit, and (iv) many landlords are not able to break their rent down into different elements which can then be assessed for their eligibility.

A special focus of the research was the service charge 'general counselling and support'. Claims explicitly containing this charge were fairly uncommon, but officers were insufficiently aware that support services might be included in the rent, either unidentified or contained within other rent headings. Authorities were generally not deciding in any systematic way whether a charge was eligible on accommodation grounds or whether the '50 per cent rule' was satisfied. The '50 per cent rule' governing the service charge 'general counselling and support' does not work in practice. A majority of the authorities were interpreting 'relating
to the provision of adequate accommodation' more widely than guidance intends

Chapter Three shows that Rent Officers value a tenancy inclusive of services, eligible or not. However, in notifying local authorities of their determination decisions Rent Officers are obliged simply to 'allow' for meals and fuels and give a lump sum valuation for any ineligible services. This approach fits a little uneasily, particularly in the areas of board and support, into the calculation of eligible rent. The interaction of the Rent Officer's market approach to lets with board and the local authority's standard deduction approach may some Rent Officers believed be leading to some unquantifiable, Housing Benefit subsidy of meals.

Some Rent Officers were giving low determinations for supported housing rents on the grounds that there was no market equivalent and were taking a stricter view than most local authorities of what was related to the provision of adequate accommodation.

Chapter Four reports the findings of interviews with landlords of supported accommodation. Some landlords were unable to break down their rent into constituent parts with an associated cost rent setting was often in terms of what it was thought Housing Benefit would pay. Rents were set with regard to the fact that the majority of the tenants living in the supported accommodation in the study were in receipt of Housing Benefit. The eligible rent was sometimes negotiated following discussions with various parties: Housing Benefit officers, landlords and sometimes care providers, but never tenants. Only the private-sector landlords relied solely on rental income to fund the provision of accommodation and services, and no landlord appeared to be seeking profit in their rent setting. Landlords were breaking even and in some cases it appeared they were actually making a loss. There was evidence that the ineligible elements of rent were set below realistic costs but it was not always possible to establish whether some of the costs of ineligible items were absorbed within the core rent or covered through some other funding source available to a supported housing project.

Chapter Five reports the findings of interviews with Housing Benefit claimants living in various forms of supported accommodation. Claimants were not very aware of the financial details of their schemes and were unable to shed light on the extent to which Housing Benefit was funding non-housing costs. Typically their Housing Benefit payment was sent directly to the landlord. Many claimants equated ineligible charges with rent. There was little evidence that services were not wanted or valued and generally consumers were highly satisfied with both their accommodation and the associated support. Claimants' need for intensive...
housimig nianagemliemit' was evident. A number of claimants expressed some appreciation of value for money and were aware that ineligible charges for items such as heating, were low in comparison with what they thought they would have to pay if they moved to non-specialist housing. Higher ineligible charges would have caused affordability problems.

Chapter Six summarises the findings of the previous chapters. There is perceived to be a lack of clarity both at the local level and within guidance coming from central government about (i) what is eligible, (ii) what is a service and (iii) what is part of the basic accommodation charge. Housing Benefit officers were insufficiently aware that in some circumstances presented rents which are not referred to the Rent Officer (local authority and, generally, housing association rents) may contain elements of ineligible charge. The lack of identification of services and the amount attributable to them was not usually a deliberate attempt on the part of the landlords to conceal a service but rather a failure to set rents in the way that the Housing Benefit regulations assume they will be set.

Both Rent Officers and Housing Benefit officers felt that Housing Benefit was subsidising meals provision.

Housing Benefit is currently paying for a range of activities concerned with helping tenants maintain and retain accommodation, almost all the Housing Benefit officers and some of the Rent Officers thought that this was a legitimate role for Housing Benefit. They appeared to believe that 'intensive housing management' carried out by landlords of supported accommodation should be met by Housing Benefit.

The chapter concludes that Housing Benefit officers interpret and apply the regulations and guidance relating to services in a rather different and less detailed way than the Department of Social Security intends. This divergence between the 'centre' and its local bureaucrats is endemic in social policy administration.
INTRODUCTION

In November 1994, the Department of Social Security commissioned the Centre for Housing Policy at the University of York to undertake research into the extent and nature of service charges paid for by Housing Benefit.

Although a great deal of research has been carried out on Housing Benefit little was known about service charges. Anecdotal evidence suggested that Housing Benefit expenditure on service charges was rising and that there was considerable variation in how local authority Housing Benefit departments interpreted regulations concerning eligible rent. There was also a concern that Housing Benefit might be paying for ineligible support services.

The objective of the study was to gather information about the service charges being paid for by Housing Benefit and local authority and Rent Officer policy and practice in relation to decisions about eligible and reasonable service charges. A particular focus of the study was the service charge ‘general counselling and support’.

The research was qualitative and took the form of interviews with local authority officials, Rent Officers, Housing Benefit recipients and landlords. The fieldwork was conducted between January and May 1995.
I THE CONCEPT OF ELIGIBLE RENT

This chapter examines the concept of eligible rent and presents the study's aims and its approach.

Eligible rent: The purpose of Housing Benefit is to help people on low incomes pay their rent. It is intended that it should, in the main, only cover housing costs, therefore any part of a rent which is not considered to be necessary for the 'provision of adequate accommodation' is generally considered ineligible for Housing Benefit purposes. In very limited circumstances, Housing Benefit can cover non-housing costs.

Eligible rent is defined in the Housing Benefit regulations by exception, it is the rent 'or other housing costs payable in respect of the claimant's dwelling, less deductions for any ineligible items'. It is those costs that the tenant is obliged to pay under the terms of the tenancy which are, generally, related to the 'provision of adequate accommodation'. Many tenants, in addition to being charged a rent, will be presented with charges for the provision of services some of which will be met by Housing Benefit and some not.

Housing Benefit is a social security benefit administered on behalf of the Department of Social Security by local authorities. Processing an application for Housing Benefit from a tenant involves a Housing Benefit officer deciding if the tenant is eligible for benefit and, if so, the level of their entitlement. The amount of benefit to which a tenant is entitled is determined by a formula that takes into account their household circumstances, income and savings, and eligible rent. The calculation is linked to that for Income Support. The amount of Housing Benefit received by a claimant may be less than the contractual rent for a number of reasons:

- the contractual rent contains charges which are not eligible for Housing Benefit
- income exceeds what is known as Income Support 'applicable amounts'
- deductions are being made for non-dependants
- eligible rent is restricted

This report is concerned only with the first of the points above. There is a large body of literature on Housing Benefit which deals more than adequately with its other features.
Service charges  Service charges are commonly associated with special-needs housing but may also be paid in various forms of mainstream housing. They are defined in Housing Benefit (General) Regulation 10 (7) as 'periodical payments for services, which are defined as services performed or facilities (including the use of furniture) provided for, or rights made available to, the occupier of a dwelling.' Some service charges that a tenant may have to pay are unambiguously not 'housing costs' and therefore do not attract Housing Benefit. These are set out in Part I of Schedule 1 of the regulations, they include charges for meals, heating and lighting, transport, cleaning, leisure and medical, nursing or personal care (although Housing Benefit can meet charges for heating and lighting and cleaning of communal areas). Also Housing Benefit can cover some costs which do not relate to the provision of adequate accommodation, such as the provision in certain circumstances of alarm services. In addition to the ineligible service charges discussed above, water charges are not met by Housing Benefit. The Housing Benefit officer must adjust eligible rent to reflect the cost of providing water.

Some service charges are eligible for help, but these are not generally defined in social security law. The Housing Benefit guidance manual, however, provides a list of eligible charges which include wardens and caretakers (if they are providing eligible services), removal of refuse lifts, radio and television relay, portering, communal telephone charges, entry phones, children's play areas and general management costs except where they relate to ineligible items.

Housing law deals extensively with service charges (Rawson, 1991). The Landlord and Tenant Act 1985 sets out the items of expenditure that can be collected through a nonah service charge. The distinction between a fixed service charge and a variable service charge is that the former is part of the rent and only changes when the rent changes. A variable service charge, by contrast, is where a tenancy agreement makes express provision for the levying of a separate charge for services which can be varied in accordance with changes in their cost. Rawson notes that in the case of a fixed service charge, where there is no statutory definition of what a service charge is, case law can be a useful source of both what a service is and what can be charged for it. He classifies service charge costs under the following main groupings:

- staffing costs (e.g. wardens and cleaners)

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1 An April 1995 amendment to the Housing Benefit Guidance Manual states that where management costs are incurred as part of the landlord's role in running and maintaining the properties they are part of rent. Where they relate to administering a service they are part of the costs of that service. This amendment was issued after the local authorities fieldwork was completed.
• running costs such as heating, gardening and window cleaning
• maintenance contracts
• repairs - outside maintenance contracts
• insurance of services plant
• depreciation
• management costs

Deciding what is eligible

The local authority Housing Benefit officer’s task is to ensure that the claimant is not receiving benefit for parts of the rent which are ineligible. He/she must establish whether rent is inclusive or exclusive of services. Schedule 1 of the Housing Benefit regulations lays down how to deal with ineligible charges. The officer is supported in his/her decision making concerning what is eligible and what is not by the Housing Benefit Guidance Manual, and by circulars and guidance from the Department of Social Security. During the course of this research guidance in the area of services was clarified. The manual, for example, was revised to give more detail and more prescription on how to determine eligible rent.

The general principle which governs the treatment of service charges and eligible rent is that of the ‘provision of adequate accommodation’, alluded to in the previous section. The concept of ‘provision of adequate accommodation’ is contained within the Housing Benefit regulations but not defined. However, Departmental guidance based on case law assists local authorities in deciding whether or not a charge is eligible for Housing Benefit. Currently guidance relating to the provision of adequate accommodation is based on the ‘North Cornwall Case’.² If the Housing Benefit officer is satisfied that a service relates to the fabric of a dwelling it is eligible for Housing Benefit. If, however, the service relates to the personal needs of a claimant, even if the latter could not maintain a tenancy without it, it is generally ineligible. The officer must decide if a rent is concealing an ineligible charge and apportion such charge as is fairly attributable to the provision of that service, having regard to the cost of comparable services and such portion of those payments shall be ineligible to be met by Housing Benefit. In addition if the officer feels a particular ineligible charge in the rent which has been identified is ‘unreasonably low having regard to the service provided he/she has to substitute an amount which represents the value of the service.

If a local authority fails to identify ineligible service charges within a rent or it deducts what the regulations define as an ‘unreasonably low amount for ineligible charges, Housing Benefit expenditure will of course, be too high in that area. Decision making in this area, however, can have the

² R. V North Cornwall District Council ex-parte Singer R. V Same ex-parte Barrett R. V Same ex-parte Bateman Q. B. D. 9 December 1993
opposite effect. If actual ineligible charges are lower than the amount deducted by the local authority the claimant will be receiving less Housing Benefit than intended.

As well as deciding what is eligible and what is not, the local authority has to decide if eligible charges are ‘excessive’ and if so what deduction should be made.

There are particular rules concerning specific charges. Standard deductions have to be made for meals regardless of the actual charge that is being made. For example, at the time of the research, £16.30 was deducted from weekly eligible rent if three meals a day or more were being provided. The meal deductions are low so they can be afforded by people in receipt of Income Support. Standard fuel deductions have to be made if actual costs have not been given or where the amount given appears to be unreasonably low.

The regulations set out the circumstances where Housing Benefit can cover charges which are normally ineligible. The charge which has been subject to the most guidance is that relating to ‘general counselling and support’. There has been concern, fuelled by the ‘North Cornwall Case’, that Housing Benefit has been improperly paying for ‘care costs’. General counselling and support can be eligible for Housing Benefit if:

• where it relates to the provision of adequate accommodation,

• where it is provided by the landlord or landlord’s employee who spends the majority of the time during which he/she provides any services, in providing services which are eligible under Housing Benefit regulations.

This latter exception to the general rule that counselling and support does not attract Housing Benefit has been known as the ‘50 per cent rule’. Housing Benefit circular 94/7 gives an explanation for its existence.

The ‘50 per cent rule’ is a concession to allow wardens and landlords to carry out the occasional ‘good neighbour’ task without affecting Housing Benefit entitlement while maintaining the purpose of Housing Benefit as a benefit that helps with housing costs.

In the ‘North Cornwall Case’ the Divisional Court ruled that the wording of the general counselling and support regulation then in place meant the ‘50 per cent test’ only applied to the landlord’s employee and hence whatever charges for time a landlord spent in person on non-accommodation-related counselling and support was eligible for Housing Benefit. In May 1994 the regulation was amended so that the original policy intention that it should apply both to landlord and employee was restored.
There are two further examples of charges which are normally ineligible, but in special circumstances can be met through Housing Benefit. First, charges for emergency alarms can be met if it is established that the accommodation is occupied by, and specially designed or suitable for, older or disabled people. Secondly, if either a claimant or a member of his household is unable to clean their own accommodation then that charge can be met.

The Rent Officer and eligible rent

All rents for deregulated tenancies, with the exception of most housing association tenancies, are referred to Rent Officers by local authorities. The purpose of referral is to establish whether a local authority will receive reduced subsidy on any part of an individual claimant’s Housing Benefit. At the time of the research the Rent Officer had to determine:

- whether a rent was a reasonable market rent and if it was not what was
- whether the accommodation was of reasonable size and if it was not, a reasonable market rent for accommodation of similar size
- whether the accommodation was at the top end of the market and if it was the Rent Officer could determine a highest reasonable rent.

The Rent Officer’s Housing Benefit role at the time of the research was laid down in Schedule 1, Paragraph 1 (1) of the Rent Officers (Additional Functions) Order 1990.

The Rent Officer shall determine whether, in his opinion, the rent payable is significantly higher than the rent which the landlord might reasonably be expected to obtain under the tenancy at that time, having regard to the level of rent under similar tenancies of similar dwellings in the locality but on the assumption that no person who would have been entitled to Housing Benefit has sought the tenancy.

From 2 January 1996 the Rent Officer determines not only a rent specific to the property but also the prevailing level of market rents for that size of property (the local reference rent). The claimant’s rent will not normally be met in full if it exceeds the local reference rent. Local benefit departments can ask for a review, known as a re-determination, of a Rent Officer’s decision within 10 weeks of the original determination. A claimant cannot change a Rent Officer’s decision but the local authority may well ask for a re-determination because a claimant has asked for a local authority review of their claim. A re-determination is undertaken by a Rent Officer from a different area, with advice from two other Rent Officers at least one of whom should be taken from the same area.

Rent Officers also have certain tasks concerning service charges. When they first became involved with Housing Benefit from January 1990, Rent Officers put a value on services with the exception of meals. Now they have to ‘allow’ for fuel as well as meals in their valuations, in other words,
they have to indicate to the local authority that their valuation includes meals and fuel. They must give a lump sum valuation for other ineligible services such as laundry or cleaning. When the rent is referred back, the local authority must deduct from the determination the Rent Officer’s lump sum valuation and the appropriate deductions for meals and fuel. Before the rent goes to the Rent Officer, the local authority should deduct water charges and ineligible care services. In theory, at least, these elements of the rent are not the Rent Officer’s concern. There are different procedures for referrals which relate to hostels. Here the Rent Officer does not have to give a value for ineligible services.

The research study
The aim of the research was to collect information about service charges and Housing Benefit. The Department of Social Security wanted to know:

- the level of eligible service charge expenditure by type of service charge and claimant group
- the number of claimants receiving help with eligible service charges and the services provided
- the level of expenditure by claimants on ineligible service charges
- whether both expenditure on eligible service charges and the numbers in receipt of the charges had been increasing over time

The study was also designed to find out how local authorities made decisions about how to treat service charges, how they decided what was eligible and what was not, how they treated specific service charges, how they decided a charge was excessive and in what circumstances they decided an ineligible charge was unreasonably low. Information was sought on Rent Officers’ policy and practice in relation to service charges. The final aim of the study was to collect data on perceptions of the value for money of services from local authority, Housing Benefit claimants and Rent Officer perspectives. The service charge ‘general counselling and support’ was to be a particular focus of the research.

The first part of the research was a feasibility study through a survey of local authorities to establish whether information on eligible and ineligible service charges could be quantified. Face-to-face and telephone interviews with 17 representative local authorities showed that quantification was not possible. The feasibility study found that (i) data on eligible service charges were generally not stored and separately identified on local authorities’ Housing Benefit computer systems and that (ii) rent was generally not presented in such a way that made the identification of eligible service charges possible. Subsequently the quantitative element of the study was dropped.
Research methods

The study consisted of three separate sets of interviews, mainly face-to-face

- a feasibility study (described above) with 17 Housing Benefit authorities in England, Scotland and Wales chosen to represent a diversity of authorities in terms of type of computer software, case-load, administrative type and geographical and urban/rural locations

- interviews with Housing Benefit managers and Rent Officers in 15 local authorities in England Scotland and Wales to discuss the treatment of eligible rent. Authorities were selected on the same criteria as those employed in the feasibility study with the exception of software type

- interviews with claimants living in, and landlords providing, accommodation and support in four of the 15 authorities above. A total of 48 interviews were carried out: 19 with landlords and 29 with claimants. Twelve interviews were carried out in each authority, which were chosen on grounds of the level and variety of supported accommodation within each

The local authority interviews dealt with

- the broad type of claim which contains either or both eligible and ineligible elements

- the process of deciding what to include and what not to include in eligible rent from the arrival of the claim form to the final benefit assessment

- the treatment of individual service charges and, in particular, the treatment of 'general counselling and support'

- Rent Officer referrals involving service charges

- perceptions of the value for money of service charges

The Rent Officer interviews followed the above format but had unique elements, for example they explored the role of Rent Officer inspections in identifying service charges.

The landlord and claimant interviewees were chosen from random samples drawn from Housing Benefit records. Housing Benefit staff were asked to provide the researchers with names of landlords providing, and claimants living in, a range of different accommodation providing support.

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3 Topic guides for the interviews undertaken during this study are available on request from the research team at the Centre for Housing Policy.

4 The normal DSS 'opt-out procedure was employed the researchers drew their sample from a list of claimants who had not opted out of the study at a prior stage.
There were four main categories (i) Local authority supported accommodation, for example sheltered housing, hostel accommodation for homeless people, shared housing and one Social Services adult placement scheme. (ii) Housing association supported accommodation for example sheltered housing, hostel provision and shared housing (iii) voluntary-sector supported housing, for example shared housing and hostel provision. (iv) Private-sector tenancies where the landlord was providing some support.

With supported accommodation there is often both an overall manager or provider, for example, in the case of supported lodgings an adult placements organiser in Social Services and an on-site ‘landlord’ (in this example a carer or host). The overall manager is often the best source of information about rent breakdowns and rent setting and the latter may be the best source for what services are actually provided ‘on the ground’ Resources did not allow the researchers to interview both managers and on-site staff. The majority of the interviews were held with managers and, where information was missing about services, with on-site staff.

The landlord interviews elicited the following information

• the nature and type of accommodation being provided
• the range of housing and support services provided
• the costs of providing the housing and support and the contribution of Housing Benefit and other income to those costs
• the rent structure and breakdown
• the adequacy of the funding arrangements
• perceptions of the value for money of service charges

The claimant interviews elicited

• the claimants’ perceptions of the purpose of the supported accommodation
• services both offered and consumed by the claimant and how paid for
• income details, including claimants’ contribution to ineligible costs
• claimants’ perception of value for money of service charges
Introduction This chapter reports the research’s findings on the treatment of eligible rent by the 15 local authorities in the study.

It starts with an overview of the issues Housing Benefit officers have to deal with when they are deciding what part of a rent is eligible and what part is not. It then goes on to discuss the three broad claim categories: council, housing association/voluntary sector, and private sector. The second part of the chapter illustrates decision making concerning eligible and ineligible charges with reference to the treatment of selected specific service charges. It focuses on general counselling and support. The chapter concludes with a discussion on the implications of the findings.

In most of the authorities, the Chief Housing Benefit Officer was interviewed. Typically a number of other officers, for example board and lodgings team leaders and computer systems experts joined the discussion. The latter were relevant since officers with detailed knowledge of software were able to inform the research on the extent to which information on service charges was stored and recorded. In three of the authorities an additional interview was carried out because Housing Benefit administration was split between the council and private-rented sectors, and the original contact was not able to provide information about decision making in the sector in which he or she was not involved. In two of the authorities, Housing Benefit administration had been contracted out.

In the group discussions, officers sometimes disagreed with each other in various respects on decision making about eligible rent, but not to any great extent. It is also likely that there were divergencies between policy and practice. It is also possible that officers sometimes told the researchers what ought to happen rather than what did happen.

An overview of the authorities, generally, felt that the whole area of deciding what charges in a rent were eligible for Housing Benefit was not straightforward. Although officers were clear that the principle guiding them in their decisions was that of whether a charge was related to the ‘provision of adequate accommodation’ they had difficulty with the concept.

“If anyone could adequately describe what the “provision of adequate accommodation” means I’d be impressed.”

(Chief Housing Benefit Officer)

It was felt that both the regulations and accompanying guidance were not precise and that there was, therefore, considerable scope for latitude.
Although the Department of Social Security did give advice when consulted by authorities, questions concerning individual benefit entitlement are ultimately the responsibility of the local authority. One authority in the sample had reported that the Department of Social Security had replied

"Questions of whether service charges are eligible are not clear-cut and need to be decided by authorities in the light of individual circumstances."

in response to a query on a particular service charge.

In processing claims, officers have to decide whether the rent includes services and, if so, which of these are ineligible for benefit. If services have not been identified they must decide what amount to deduct for those charges which are ineligible. If the presenting rent does specify amounts for services, officers have to decide whether the eligible charges are reasonable and whether ineligible charges are unreasonably low 'compared to the cost of providing comparable services.' Finally, they have to decide whether exceptions to the rules governing ineligible service charges apply. For example, an amount for cleaning a room can be met by Housing Benefit if no-one in the household is able to do it, or counselling and support can be met either because it relates to the provision of adequate accommodation or because the '50 per cent' rule applies.

Processing application forms:

At the heart of decision making is the Housing Benefit application form. A key finding of the research was that authorities' ability to pick up on what is eligible and what is not would improve if application forms made a clearer distinction between eligible and ineligible charges. There was very little consistency between authorities' forms and few appeared to have followed the Department of Social Security's good practice guide to the design of application forms. The following is a summary of the research's analysis of how authorities ask for information about services on Housing Benefit application forms:

- Over half of the authorities in our sample only asked about ineligible charges and there was little consistency concerning which were asked about, although most enquired about meals, fuel and water rates.
- The way information on service charges was asked for differed greatly. The physical layout of some forms was clearer than others. There was often ambiguity over what period of time a payment was being made for.
- In no cases did furniture appear as a service charge on forms.
- Only one authority asked about counselling and support.
- In most cases it was not possible from the form alone to distinguish adequately between individual charges which are ineligible and those communal charges for fuel, etc. which can be eligible.
- Application forms for council tenants did not ask about service charges.
One authority had a particularly detailed application form in terms of services. It had also prepared an equally detailed guidance manual for calculating eligible rent in the private sector. This manual gave instructions on how to deal with service charges specified on the forms and also how to deal with those which were not specifically asked about. The authority appeared to be exceptional in having codified decision making in a very detailed manner.

**Identifying ineligible charges**

All the officers in the study felt they went to reasonable lengths to ensure that Housing Benefit was not paying for items in a rent that regulations disallow. However, officers reported that a shortage of resources meant they could not always carry out extensive investigations to check, for example, on a particular service charge. Officers also felt that in some circumstances landlords or tenants would be unable to break down their rents into constituent parts which clearly showed rent, eligible service charges and ineligible service charges. Around half of the respondents said they had no legal requirement to ask landlords or tenants for a breakdown of rent. Three senior managers said making detailed enquiries of landlords was both intrusive and unreasonable.

‘Landlords often come back and say it is not possible (to break the rent down)

“I just charge a weekly rent and it covers all my outgoings,” they say’

(Housing Benefit Officer)

‘Rent is set for all sorts of reasons, such as an amount to repay landlords mortgages regardless of what services they are giving’

(Housing Benefit Officer)

At least half of the officers interviewed argued that tenants and many landlords would simply be unable to break rent down into the distinct elements of rent, eligible service charge and ineligible service charge.

Officers argued that there had to be limits in their attempts to establish that Housing Benefit was not paying for ineligible items.

‘If the information you get on the form appears to be logical and coherent you don’t go round the flat and check everything. If it appears to tie in with the rest of the information on the form we accept it’

(Housing Benefit Officer)

‘What to apportion (attributing a value to an ineligible item) should reflect what the situation is, why not take the landlord's word about what fuel to take, we take his word on other matters, why not service charges? Just check on those that don’t look reasonable’

(Housing Benefit Officer)

Officers’ views were that landlords and claimants varied considerably in their approaches to rent. Some landlords and claimants in their areas, they thought, did try to obtain as much Housing Benefit as they could by not
revealing ineligible services. Also some landlords were suspected of charging unreasonably high rents so they would still get what they regarded as adequate rent via Housing Benefit once deductions had been made for ineligible items. In contrast, officers believed that claimants typically knew very little about Housing Benefit regulations, they reported for example, that some claimants think, erroneously, that the more services they say they are receiving the more benefit they will be awarded. Such claimants are unaware that charges for many services, such as fuels and meals, are not eligible for benefit.

Equally, officers felt that some landlords in their areas, far from trying to get as much Housing Benefit as they could, often undervalued their rents and associated services and were charging below market rents. This finding is in accord with that of other research (Bevan et al., 1995).

Quantifying service charge information

An original objective of the research had been to quantify both Housing Benefit expenditure on service charges and expenditure by claimants on ineligible service charges. The study's mainstage fieldwork confirmed the findings of the feasibility study referred to in the previous chapter that expenditure on eligible service charges is not very easily quantified. The majority of the authorities had computer systems which did not allow them to store and identify eligible service charge data. When asked if eligible service charge information was stored, one respondent, surprised at the question, replied ‘We don’t have to, we get subsidy on the remit’. What this officer meant was that it was unnecessary to show what was eligible ‘rent’ and what was eligible ‘service’ since both were eligible for Housing Benefit, and both attracted government subsidy as together they constitute ‘eligible rent’. Officers tended not to make a distinction between eligible rent and eligible services, the latter was regarded as part of the former. Officers often assumed that the researchers were only interested in finding out about ineligible service charges. Most authorities stored a limited amount of data on ineligible service charges, usually heating, lighting, water, hot water and sometimes another category or field referred to as ‘amenity’ or ‘service’. This last type was a general catch-all category. Authorities were not consistent in their approach to storing ineligible service charge data, so any attempt to quantify ineligible expenditure would be a very imprecise and unreliable exercise.

The more fundamental reason why expenditure on eligible services cannot easily be quantified is that rents were not presented to local authorities in such a way that allowed eligible services to be identified. Moreover, there was no consistency as to what constituted a service charge and what was part of rent. Officers in the study felt that, however detailed their investigation of what was being provided in rent, some landlords would be quite unable, rather than unwilling, to apportion a value to each conceptual element within it.
Respondents told the researchers that council rents did not contain service charges. It has already been noted that none of the authorities’ council tenancy Housing Benefit application forms asked for information about services. Prompting revealed, however, that a number of different types of council rent did contain items which accord with the examples of eligible service charges given in the Housing Benefit Guidance Manual. For example, rents for blocks of mainstream council housing with communal areas and/or a concierge service, sheltered housing, hostels and other special needs housing potentially have a charge within them for things such as lifts, portering, cleaning of communal areas, children’s play area, warden and caretaker. All these items are eligible for Housing Benefit although some, such as wardens and caretakers and cleaning of communal areas, are only eligible if one of the exceptions to the general rule that Housing Benefit only meets charges for services which relate to the provision of adequate accommodation about ineligible charges, applies. The answer to the researchers’ question ‘Are there eligible service charges in council rents?’ was negative because Housing Benefit officers tend to think of service charges only as ineligible service charges. Council rents, unless they are for hostel and other shared accommodation, do not contain ineligible service charges.

In all local authorities, Housing Benefit officers were not involved, in any great sense, in deciding what was eligible and what was not in council claims. They had very little knowledge of council rent structures. Eligible charges were very rarely separately identified. Council rents were taken at face value, the Housing Benefit system keyed into the rent accounting system to collect details of a rent. These would identify any ineligible charges which were liable. Not a great deal of checking was done, of either ineligible or eligible charges, where these were separately identified.

‘Service charges in council stock is not something we look at specifically. I think what’s happened in the authority traditionally is that rents have been set in such a way that there will not be ineligible charges in the rent.’

(Housing Benefit Officer)

‘I don’t think they (the housing department) make any serious attempt to itemise a particular cost for providing a service in supported accommodation over and above establishing what the running cost of the project is.’

(Housing Benefit Officer)

Officers did not know what value had been attributed to particular items within a rent. For example, warden services. Nor as the quotation above suggests, did they believe that their local housing department could attribute a value to separate items.

Around a third of the authorities took some care in monitoring charges in council special-needs housing, checking, for example that sheltered housing wardens were only carrying out ‘good neighbour’ duties but not...
in any systematic way checking whether the '50 per cent rule', discussed in Chapter One, was being met. Some council claims for hostel and other shared accommodation did contain ineligible charges. Officers felt that these were sometimes very low: in one instance £1 a day for heating, lighting and water. The reason for these low charges was, they thought, that they would be affordable to the type of tenant living in special-needs housing, the vast majority of whom were reported to be in receipt of Income Support. There was very little evidence that officers particularly investigated low ineligible charges or used their powers to adjust them, or (in the case of fuel charges) use standard deductions. The minority who did, felt they had a very explicit brief from elected members to limit Housing Benefit expenditure.

There was some concern about instances of high council rents, particularly hostel rents. These were often covering the salaries of on-site staff; this element however was not separately identified in the rent. One officer said:

'Obviously with a council run hostel there is the temptation to say we'll pay it whatever, but we've been careful to consider the actual situation and not just say 'It's council accommodation we'll pay it.' We've looked at it from the point of view of what the other hostels in the area are charging. If we were to say yes, we'll pay whatever it takes, the others will then want to put their charges up and we've already told them that the sky is not the limit when it comes to hostel charges.'

(Housing Benefit Officer)

With the exception of this concern about high rents for particular projects, such as those set up to meet the needs of homeless people, Housing Benefit officers largely felt that rent setting in their areas reflected an overall goal of keeping rents and service charges affordable for those tenants not in receipt of Housing Benefit. They were critical, however, of increasingly high housing association and private-sector rents.

The research found that the rents of not-for-profit housing providers often contain service charges. Housing associations have had a long tradition of involvement in special-needs housing, either directly managing schemes or entering into partnerships with voluntary-sector organisations. However, housing associations increasingly develop and manage general-needs housing. As with council housing, these rents may also contain service charges particularly if they are related to accommodation incorporating common areas such as blocks of flats. Like council housing rents, housing association general-needs housing rents are unlikely to have ineligible items. Again, like council rents, housing association rents for hostels and other shared housing may well include ineligible items, like fuel or meals.
In some areas hostels run by voluntary-sector organisations, rather than housing associations, were referred to Rent Officers.

The local authorities in the study all believed that housing association rents containing service charges, specified or otherwise, had been increasing although they were unable to quantify this trend. They also believed that community care policies were responsible for these increases. The long-established policy trend of accommodating people with care and/or support needs in various forms of housing rather than in institutions, received fresh impetus with the implementation of the 1990 NHS and Community Care Act.

Housing association and voluntary-sector claims were reported to be very different from council claims in that rents were often broken down under different service charge headings. The tendency to give a detailed breakdown of services is a legacy of the days before the 1988 Housing Act which, among other things, deregulated housing association tenancies. Under the fair rent regime Rent Officers had determined the amount associations should charge for services. With deregulated tenancies the legal requirement that service charges should be distinguished from the basic rent has gone. Associations are now entitled, in presenting their accounts, to include services, such as the replacement of furniture and servicing equipment, within the rent (Rawson, 1991).

Although housing associations usually provide a breakdown of their rents, Housing Benefit officers reported that this was not done in any consistent way. There was also the view that housing associations broke rent down into what was often called 'core rent' and 'services.' so, officers believed, that the basic rent would appear reasonable. One authority, for example, reported a housing association rent showing a 'core rent' of £35 a week and eligible services of £75 a week. One officer commented: 'It's difficult when you try to break everything down then in theory rent should be virtually nothing.' Officers were often unclear about how housing associations differentiated between rent and service charges.

'I think housing associations say that the rent is the rent they pay to someone else, or the loan charges for that property and everything else is service charges, the staffing costs, the maintenance, insurance, decorations and repairs.'

The local authorities in the study saw housing association/voluntary-sector rent breakdowns that did not correspond in any precise way to either the headings employed in Schedule One to the regulations or to the example of eligible service charges given in the Housing Benefit Guidance Manual. The task faced by Housing Benefit staff therefore is to decide the eligibility or otherwise of various headings. Housing association rents, for example, often showed an item for 'intensive housing management.' This is a phrase employed particularly but not exclusively in special-needs...
housing, it refers to the additional housing management that is necessary when accommodating tenants with special needs. Intensive housing management will attract revenue subsidy known as Special Needs Management Allowance (SNMA), what the subsidy pays for is very precisely defined in the SNMA annex. Although SNMA is not intended to cover care activities, it quite legitimately covers activities which the Housing Benefit regulations define as ineligible (unless the ‘50 per cent rule’ test is being satisfied). For example, giving advice on aids and adaptations dealing with tenants’ disputes, and contacting relatives or care services all qualify for housing subsidy under the SNMA rules. However, these activities are regarded as ineligible in Schedule 1 of the Housing Benefit regulations unless the ‘50 per cent rule applies. Housing Benefit officers, therefore, should be investigating a heading such as ‘intensive housing management’ and deciding which part of it is eligible and which part is not. Officers did not appear to do this very carefully.

The majority of the officers in the study felt that housing associations were not generally trying to deliberately conceal ineligible services in the rent. They also found housing associations’ tendency to break down rent as helpful. Typically, when a new special scheme was being planned, a meeting would be arranged between the local authority and the housing association or voluntary-sector organisation to decide what would be the eligible rent. These meetings were often described as a process of negotiating what level of charge would be met by Housing Benefit. It was apparent that Housing Benefit Officers were not always critical enough of rent structures. The rent breakdown shown below is an example of a less than careful scrutiny of a housing association rent. The rent of £108.82 a week, for a scheme with non-residential support staff, was in payment. It had been agreed as a result of protracted negotiations between an authority and an association. At least one item, the television licence, is specifically excluded by Housing Benefit regulations. The regulations are less clear when it comes to some other items in the rent but it is questionable whether some of the costs are services to the tenant and therefore ineligible. The heading ‘administration and supervision services’ may have been covering some ineligible service to tenants which may or may not have been allowed under the ‘50 per cent rule’ governing the service charge ‘counselling and support’. This rule has been explained in the last chapter. The authority had not investigated this rent in any detailed way at all.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core rent</td>
<td>£24.83</td>
</tr>
<tr>
<td>Mortgage</td>
<td>£17.15</td>
</tr>
<tr>
<td>Maintenance</td>
<td>£4.06</td>
</tr>
<tr>
<td>Sinking fund</td>
<td>£4.80</td>
</tr>
<tr>
<td>Management</td>
<td>£5.22</td>
</tr>
<tr>
<td>Management services</td>
<td>£56.06</td>
</tr>
<tr>
<td>Services</td>
<td></td>
</tr>
<tr>
<td>Furniture renewal</td>
<td>£1.92</td>
</tr>
<tr>
<td>Cleaning</td>
<td>£0.63</td>
</tr>
<tr>
<td>Exterior window cleaning</td>
<td>£0.32</td>
</tr>
<tr>
<td>Common areas heat and light</td>
<td>£3.64</td>
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<tr>
<td>Laundry and maintenance</td>
<td>£1.15</td>
</tr>
<tr>
<td>Gardening</td>
<td>£0.92</td>
</tr>
<tr>
<td>Insurance</td>
<td>£0.90</td>
</tr>
<tr>
<td>Audit of house accounts</td>
<td>£2.30</td>
</tr>
<tr>
<td>Postage</td>
<td>£0.57</td>
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<tr>
<td>Payphone installation and rental</td>
<td>£0.66</td>
</tr>
<tr>
<td>TV licence</td>
<td>£0.31</td>
</tr>
<tr>
<td>Administration and supervision services</td>
<td>£39.44</td>
</tr>
<tr>
<td></td>
<td>£52.76</td>
</tr>
<tr>
<td>Eligible rent</td>
<td>£108.82</td>
</tr>
</tbody>
</table>

Some housing associations presented their rent breakdowns pre-coded into eligible and ineligible items. It was apparent that some authorities tended to take these at face value and accept them fairly uncritically.

There were exceptions to the general tendency of housing association rents to be broken down into basic rent and services. It was reported that some housing associations, particularly those providing general-needs housing, such as blocks of flats, did not always identify services. These rents often contain charges for services such as caretaking, lifts, and removal of refuse etc., but like the council rents discussed earlier these charges were often not identified or valued separately.

A minority of the authorities in the study expressed some concerns about housing associations who they felt were more knowledgeable about the Housing Benefit regulations than private landlords. They believed that some housing associations did try to present rents in such a way as to get as much Housing Benefit as possible. They often illustrated their point with reference to fuel costs. In a rent breakdown, ineligible fuel costs (those paid by the tenant) sometimes appeared to be too low, but those...
costs relating to the heating and lighting of communal areas (as defined in Housing Benefit regulations) which can be met by Housing Benefit appeared too high.

Hostel and housing association/voluntary-sector rents require special mention. It has been noted above that Housing Benefit officers had some concerns about local authority hostel rents but did not make extensive detailed enquiries about the eligibility of services. Local authorities are given guidance as to how to deal with hostel rents. With hostels (and with other types of shared housing, although the guidance is silent here) some services may be provided at no charge to residents but funded from non-Housing Benefit sources. Officers must therefore find out which services are covered in the hostel charge and which are not, so they do not deduct the value of ineligible charges funded from other sources. It was apparent in the study that authorities did not always get very good information from hostels as to precisely which services were included within the rent and which were being funded through other funding sources thus allowing them to deduct ineligible items correctly.

None of the authorities in the study were investigating, in any detailed way the eligibility or otherwise of housing association rents. However the minority who thought that housing associations were structuring rents in a way that would get as much of it covered by Housing Benefit as possible gave examples of instances when they had queried the amount attributed to services both eligible and ineligible. Those that took a more vigilant approach to housing associations were those with a heavy housing association caseload and/or had a potentially strong local remit to limit Housing Benefit expenditure.

Authorities very rarely referred housing association rents to the Rent Officer. Officers commented that they were often reluctant to do so because housing associations accommodate vulnerable groups of people. At the time of the research some groups of tenants received 'protected status' under the Housing Benefit regulations. If a Rent Officer reduced a 'protected group' claimant's rent the local authority was under law obliged to continue to pay the contractual rent if it was unreasonable to move to cheaper available and suitable alternative accommodation. However, in doing this the authority would lose some central government Housing Benefit subsidy.

*Private-sector rents* This section of the chapter deals with those rents, relating to deregulated tenancies, which are referred to the Rent Officer.

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5 The rules regarding ineligible services are the same for protected groups as they are for all other claimants.
There was a view among officers that the number of private-rented claims including services had been declining in recent years. Two explanations were given. First, it was believed that since landlords were facing increasing difficulties obtaining that part of the rent which is not met by Housing Benefit from their tenants they were giving up providing those services, for example meals and inclusive heating and lighting. Many landlords were reported to have installed meters or to have provided fuel cards. Secondly, officers believed that there was less incentive for landlords to provide services since the abolition of the board and lodging allowance in 1989. Before that date landlords set their rent at the prevailing level for the allowance. Officers did report that they had seen something of an increase in private-sector rents in their areas due to landlords arguing that they were increasingly having to accommodate 'difficult' tenants with special needs. However, officers did not see this as a service charge issue.

The issue of the concealment of ineligible services was felt to be located principally in the private sector rather than in the council or housing association sectors. However, it has been shown above that officers' decision making regarding the eligibility of services was not particularly detailed or extensive as far as council or housing association rents are concerned. Concealment of ineligible services, therefore, was not perceived as a problem.

There are a number of different categories of private-sector claims that are likely to contain ineligible services such as meals, fuel, laundry or cleaning of houses in multiple occupation (HMOs), guest house and other boarding arrangements (such as bed and breakfast), hostels and shared housing, and supported lodgings. These different claims cover quite different markets, for example, commercial boarding in contrast to the provision of board in a private house. The last two categories, and supported lodgings require a particular mention. 'Supported lodgings' is the phrase given to schemes, often run by Social Services Departments or the Probation Authority where a vulnerable client is placed in the home of a landlord/landlady who gives support in addition to accommodation. In only some of the areas did the Housing Benefit authorities refer these arrangements to the Rent Officer.

Housing Benefit officers regarded the issue of service charges in private-sector claims to be one concerning ineligible charges, in the main they perceived private-sector rents not to contain eligible service charges. However nearly 80 per cent of referrals are for furnished property and

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6 Income Support for boarders could include accommodation and everyday living costs. After 1989 boarders are entitled to Housing Benefit and Income Support in the same way as other tenants.
furniture, defined in the Guidance Manual (4.67) as an eligible service charge (where it is not to become the tenants property) None of the officers in the study saw furniture as a service charge, they saw it as part of rent. Looking for eligible service charges in private-sector rents simply was not an issue for Housing Benefit officers Some private-sector landlords were reported as accommodating people with special needs but officers did not seem to expect to find any specially identified amount in the rent to cover the costs of accommodating such tenants The overview to this chapter has commented that officers felt it was unreasonable to expect many landlords to break down rent

The overview, however, has also noted that officers were aware that some landlords do conceal ineligible charges In all the areas, reports were given of some private-sector landlords’ attempts to obtain as much Housing Benefit as they could by underestimating or concealing charges for items like meals or fuel All the authorities employed staff who dealt with claims from HMOs and from various types of board and lodgings arrangements. It was reported that these staff had gained considerable expertise in the market for these types of property and thus were able to assess the reasonableness of specific amounts for services

The different ways officers attempted to deal with or identify ineligible charges in private-sector rents are summarised below

• if a claim looked as though it contained services, send landlord/tenant a more detailed application requesting information about services

• if an ineligible charge appeared to be too low, ask tenants/landlords for tenancy agreements and/or proof of various payments

• deduct a local or national set amount where either a charge was 'unreasonably low' or not identified

• leave the task of deciding whether there are any ineligible items to the Rent Officers

All the authorities employed the four tactics above in different circumstances and at different times There was little evidence that authorities were particularly systematic about comparing a charge which they believed to be unreasonably low to the ‘cost of comparable services’. There was also evidence that practices varied within the same Housing Benefit office Some Housing Benefit staff would seek information from a tenant but others, in identical circumstances, would apply a standard deduction

In conclusion, although authorities did take some care in scrutinising private-sector claims that appeared to include ineligible items, they tended not to make very detailed enquiries They felt that the risk of paying out a great deal more Housing Benefit than they should was minimised because
Rent Officers would typically reduce those rents that were high because of the presence of concealed services. Officers said they themselves had insufficient resources to carry out visits to properties to check for services. Rent Officers did inspect a proportion of referrals, sometimes at the specific request of an authority, and often notified authorities of ineligible services. Officers relied on Rent Officers’ lump sum valuations of service charges although at the time of the research local authorities should have been making their own test of reasonableness. The authorities in this study, however, were part of a national trend. Kemp and McLaverty (1994) showed that a majority of authorities used Rent Officers determinations as their own measure of the reasonableness of rents.

The treatment of meals was the key issue arising from the research concerning meals was the implication of two different approaches to their treatment. The Rent Officer’s approach is based on the concept of value. He/she looks at an overall rent and values what is being provided. Inter alia he/she will value a rent which includes meals more highly than one which does not. The Housing Benefit officer’s approach, however, is based on affordability considerations.

Around a third of the respondents felt that a consequence of the two systems running in parallel was a potential drain on Housing Benefit expenditure:

‘The enhancement to market rent is higher than any amount that we deduct. At the moment we deduct £1.90/week but the Rent Officer will allow about £5.00 more than that in his valuation. Silly little loophole. It’s a way of getting a higher rent accepted as reasonable by nominally including breakfast.’

(Chief Housing Benefit Officer)

‘The Rent Officer does tend to give a higher valuation to properties with meals – the contribution is about £2 for breakfast but the Rent Officer may allot (sic) £10–£15 difference. So a lot of people think that this may be a way of getting more Housing Benefit.’

(Chief Housing Benefit Officer)

The standards set by the Government are ridiculously low. £1.90 for breakfast when the Rent Officer estimates about £14 – contradictory. Including breakfast means the landlord is getting a higher eligible rent than the landlord who doesn’t include it.

(Chief Housing Benefit Officer)

When asked if they ever knew the actual amount charged for meals, or their value, the officer responded that they did not nor did they need to know because a national standard deduction was being applied. Nor did they know with any certainty how the Rent Officer valued the meal component of a rent although, as the quotation above suggests, they made guesses. Some of the officers felt frustrated that they had to ignore...
considerations of value. They felt it was impossible for any landlord to produce a good quality breakfast for £1.95 a week, they also felt that there was a wide variation in meals being provided.

'Someone may be having a slap up breakfast every day for £1.95 where the next person has cornflakes and milk he has got out of the cupboard for himself.

(Housing Benefit Officer)

Most of the authorities reported instances where they had suspected and investigated circumstances where private-sector landlords allegedly providing bed and breakfast, were abusing the system by either providing a minimal breakfast or not providing one at all. One large urban authority had investigated a spate of suspiciously high rents and the subsequent publicity had reduced the number of bed and breakfast claims dramatically.

The authorities in the study felt that circumstances where landlords were abusing the meal regulations were relatively rare. Officers felt that a large number of private-sector landlords providing board, undervalued their rents. Some rents which included meals were reported to be quite low, particularly in circumstances where a resident landlady provided breakfast and an evening meal.

'In that respect the meals deduction are relative even though unrealistic. If you took a real figure off the rent there would be no Housing Benefit to pay.'

(Housing Benefit Officer)

This officer was saying that many landlords or landladies providing board undervalued their services. If a realistic figure was deducted for the provision of board, a very small amount covering 'basic rent' would be left.

Some preferred a standard deduction approach to an individual valuation of a particular service as it was quicker and easier. Officers also reported that those landlords who were attempting to overvalue board and lodging accommodation were kept in check by Rent Officers who frequently reduced these sorts of rents.

Some Housing Benefit claims which contain charges for meals do not go to the Rent Officer. These are commonly housing association special-needs rents such as those relating to hostel accommodation. Typically with this sort of accommodation meals are not provided but food is put out for tenants to cook for themselves. Officers reported they assumed that the cost of the meal was far greater than the deduction they were obliged to apply and that these providers might in effect be receiving an unquantifiable amount of 'subsidy' from Housing Benefit.

Fuel. The three main categories of rents council, housing association and private-sector may all include an amount for fuel. The local authority has
to deduct the amount that has been specified for fuel unless it is felt that this is unreasonably low or if it includes an element for communal areas which cannot be readily separated out. In these two latter situations, and in circumstances when the fuel charge is not known at all, officers have to apply standard deductions, for heating, lighting, hot water and cooking. However, if the officer is satisfied that the claimant is only occupying one room a composite 'one room deduction' is made which is half the total of those for heating, hot water and lighting. When a charge for cooking is included in the rent the full standard cooking deduction is made.

There is no definition in the regulations as to what is meant by one room, but the Guidance Manual gives some help to authorities. It states that the lower fuel deduction should include those cases where a claimant is sharing the room and the communal areas as defined by the regulations. It should not apply where the claimant occupies one room but is sharing areas not included in the regulations' definition of communal area. Communal areas are defined in the regulations as, 'areas other than rooms of common access [including halls and passageways] and rooms of common use in sheltered accommodation.' Fuel charges for communal areas can be met by Housing Benefit. There was some evidence in the study that Housing Benefit officers did not always investigate whether charges relating to common areas correspond to regulations' definition of communal areas.

The authorities in the study felt that the fuel deductions, particularly those for 'one room only,' were, unlike the meal deductions, relatively realistic. There was some evidence, however, that lack of resources and time prevented them from being as vigilant as they might have been over decision making in this area. For example, some appeared to be aware of, but largely ignored, the practice of some of the not-for-profit providers of setting rents in such a way that allowed for tenants being at home all day and thus possibly consuming more services than a working tenant. They also were less careful than they might have been in separating communal charges (eligible) from individual (ineligible) charges. In a number of instances it seemed likely that the regulations' definition of communal areas was not being strictly adhered to, one room deductions therefore may have been made inappropriately.

There were different approaches to situations where an amount for fuel was specified in a rent. Nor did authorities tend to have a consistent approach to how they defined an 'unreasonably low' deduction. Some authorities said that in some situations when they had reason to doubt a stated amount for fuel they ignored it and applied the standard deduction. Where a standard deduction has been applied the authority must invite the claimant to provide evidence on which the 'actual or approximate' amount of the charge may be estimated.
Some authorities did not apply the statutory deduction if the stated amount was only just below the standard deduction.

Although officers did not know what Rent Officers had allowed for fuel, they generally believed that the latter's fuel valuation was similar to the fuel deduction. Generally authorities said they simply did not have the resources to investigate adequately circumstances where information about fuel on an application form was ambiguous or missing. They felt that the Rent Officers' inspection role was useful in clarifying details of fuel expenditure.

**Furniture**

Most rents in all these categories did not contain an identifiable element for furniture. Housing Benefit claim forms ask whether properties are furnished but this information is collected to pass on to the Rent Officer. The latter were reported as not always valuing furnished property more highly than unfurnished.

The only category of claim where furniture was identified as a separate element in the rent was in some special-needs projects, particularly those providing second stage accommodation for homeless people. This example illustrates a key issue in this research study of the treatment of service charges. Officers reported that housing providers varied in their approach to breaking down rent. Officers thought providers sometimes believed, as in this example, that they would get more Housing Benefit for their tenants if they categorised as many elements of the overall rent as service charges. Other providers, it has been noted already, took the opposite view and deliberately did not break down the rent and services into identifiable elements. A further group of landlords, officers felt, simply were unable to break rent down.

**General management costs**

General management costs, where they do not relate to ineligible items, are eligible for Housing Benefit. It has been noted in Chapter One that where management costs are part of the landlord's role in running and managing the property, they are rent rather than services. The Officers in the study generally regarded management charges as part of rent. However, it was evident that they were sometimes being presented with gross rents in which some of the management costs related to services. Housing associations' rent breakdowns, for example, could show an amount, sometimes quite high, for 'management' costs. It will be shown below, in the discussion of the service charge 'general counselling and support' that the heading 'management' included activities which were arguably not housing. Officers did not appear to be sufficiently aware that some management costs might be in connection with ineligible services.

**Water charges**

Water is an ineligible item, local authorities are required to make a deduction except where a claimant is separately liable. Under the old rating system, authorities in the study were able to work out water costs exactly.
Now some contacted their water authority for details and, if necessary, apportioned the charge. Others applied a notional amount which in a number of cases had not apparently been uprated for several years. Officers reported that the principal reason for adopting a notional approach was large caseloads. Pressure of time prevented them from making individual valuations. The authority with the very detailed manual on service charge assessments gave details to staff on how to calculate the charge. For this to be done the rateable value of the property, the domestic water poundage and the number of rooms solely occupied by the claimant had to be ascertained. An amount for water was rarely specified by claimants. The regulations regarding water do not apply in Scotland since water costs are included in council tax.

**General counselling and support**

This service charge was a particular concern of the research because the Department of Social Security wanted to find out if Housing Benefit was paying for care or personal support costs. The authorities in the study generally reported that few claims contained the service charge 'general counselling and support' (GCS). However on prompting, officers said that there had been an increase in the number of claims for accommodation combining housing and support as a result of the implementation of community care policies. One Chief Housing Benefit Officer commented:

'I think with community care coming along there may well be a situation where many local authorities will try to pass some of the overheads associated with supported accommodation and specialised accommodation which was previously residential care status and allow mainstream Housing Benefit to pick up some of the housing burden and you may well see more and more support type services looking to be absorbed by Housing Benefit. I think this is something the DSS is acutely aware of and it is really up to them to bring forward some sort of guidelines for local authorities to be absolutely clear what is and what isn’t available for Housing Benefit. I think there may well be a danger that the Housing Benefit budget would explode if the DSS are naive enough to think that local authorities are not going to try and use the Housing Benefit scheme, with all its failings, to try and absorb some of the support overheads.*

(Chief Housing Benefit Officer)

Respondents said general counselling and support was not found in private-sector claims other than in a very limited number of supported lodgings claims, the vast majority of which were part of official schemes run by public-sector or not-for-profit independent organisations. They also said that it did not appear as an explicit heading in council claims. Officers associated general counselling and support with a limited number of housing association/voluntary-sector special-needs and supported lodgings claims. The latter are official schemes, often run by Social Services, where a client is living in the home of a carer or host who provides both accommodation and support. Again, however, probing by the researchers suggested that a much larger number of rents, particularly in the council
and housing association sector, contain unspecified support elements or an identified element for additional management on the grounds of the particular special needs of the tenants. Such rents relate to different types of accommodation combining both housing and support for example sheltered housing, staffed and unstaffed hostels, various forms of shared housing and supported lodgings. Generally housing with support claims are not referred to the Rent Officer because they are local authority or housing association rents and as such are assumed to be reasonable. Some supported lodging claims run by official agencies, however, were referred because the claimant was categorised as a private-sector tenant.

Most officers adopted a relaxed attitude to determining whether counselling and support was eligible because they believed that very few claims were involved and because they felt that providers or landlords of housing and support were not involved in the pursuit of profit and would not, as they put it, abuse the system. They also took the view that a very strict interpretation of what was eligible might mean that a particularly innovative community care project whose financial viability depended on Housing Benefit might have to close with, they believed, heavy public expenditure consequences. These officers often did not seem to appreciate the fact that some support costs in claims would not be identified as such but either be contained within the rent or under some other heading such as administration or supervision. Other officers took a different view and appeared to take more time investigating the eligibility of claims. These officers were aware that some providers might deliberately conceal support services within the global unbroken down rent, by not identifying or putting under some other heading things such as intensive housing management.

All officers felt that guidance in the area of housing and support did not greatly help authorities, and decision making was therefore quite difficult.

“At the end of the day it is left very open. Any authority could choose to interpret the information it is given how it wants to, it’s not just a case of the landlord telling you what he feels like, you can interpret whatever you are told in more than one way. It really is so vague that it’s open to abuse from our end as well as the landlord’s end.”

All the authorities said they had never applied the ‘North Cornwall’ ruling whereby personal counselling and support, as well as accommodation-related counselling and support, was eligible for Housing Benefit if provided by the landlord in person.

In late 1995 after the fieldwork was completed, the Department of Social Security issued Circular HB/CTB A36/95. This circular strengthens guidance in the area of counselling and support. It urges authorities to decide what services are provided by making full enquiries and not
accepting headings presented on the claim form, job descriptions and tenancy agreements. It also suggests that charges for accommodation-related counselling and support should not be valued at more than a few pounds a week. At the time of the research, however, authorities were working to a guidance manual that indicated that in most cases, it would not be necessary to obtain a detailed breakdown of services provided and time spent on each of them to ensure that the ‘50 per cent rule’ discussed in Chapter One was not being broken.

Determining the eligibility of counselling and support

Authorities should be deciding (a) whether support services relate to the provision of adequate accommodation and (b) whether personal counselling and support can be met through Housing Benefit because the ‘50 per cent rule’ is satisfied. Authorities were not making detailed enquiries, whether they took a relaxed view of what was eligible or whether they adopted a tighter view. An article in the December 1994 issue of the Welfare Rights Bulletin recommends how the ‘50 per cent’ ruling is to be applied: (i) the total time spent providing any services must be computed; (ii) then the total time spent providing eligible services, excluding GCS services, should be computed; and (iii) finally, figures obtained in (i) and (ii) compared. If the figure in (ii) is at least 51 per cent of the figure in (i), any GCS service qualifies. The authorities in the study did not appear to adopt this approach. They did not in any way systematically or precisely work out which element of support was accommodation-related and which was personal. Their approach is summed up by one respondent who said, ‘You just get a feel for it’. No authority appeared to seek data on the number of hours landlords or their employees spent on providing services.

Griffiths (1995) in a study on Housing Benefit and community care has defined three types of general counselling and support: (i) GCS in relation to the provision of adequate accommodation, (ii) broad-ranging personal GCS concerned with an individual’s capacity to function outside the accommodation and (iii) a grey area which is concerned with counselling and support intended to enable individuals to remain in accommodation. In their decision making, the majority of the authorities in this study appeared to believe that (ii) fell outside the domain of Housing Benefit except when the ‘50 per cent rule’ made it legitimate, but that (i) and (iii) were within its scope. These authorities tended to regard activities like helping tenants with benefits, resolving neighbours’ disputes and those associated with resettlement as related to the provision of adequate accommodation. All these activities are regarded by housing professionals as being part of housing management (Clapham and Franklin 1994). They are also regarded as being part of ‘intensive housing management’.

Intensive housing management has already been referred to in this chapter with reference to housing association claims. It is notoriously difficult to define and different housing providers will mean different things by it.
Generally there is a consensus that intensive housing management refers to those core housing management functions such as collecting rents, making allocations, organising repairs, enforcing tenancy conditions and other activities necessary to the function of the landlord-tenant relationship. The word 'intensive' implies that these care tasks have to be carried out more intensively for some particular tenants.

Intensive housing management is difficult to distinguish from counselling and support. As noted above and in the earlier section, it may include:

- helping tenants with benefits
- resolving neighbours disputes
- giving advice on aids and adaptations
- contacting relatives or care services
- organising of social/leisure activities

All these activities are defined as housing costs in the regulations governing housing associations' SNMA, and local authorities' HRA. All of them can also be carried out within 'core' housing management. Generally, the officers in the study believed that both core or ordinary housing management and intensive housing management were eligible for Housing Benefit and some used the definition of what is properly a housing cost contained within SNMA and HRA documentation.

Authorities were awarding benefit for staffing schemes on a 24-hour basis. It was accepted by officers that Housing Benefit should cover the costs of supervision of a property. Officers did not investigate in any detailed way whether non-housing-related support activity was being carried out by these on-site staff.

Officers generally agreed that the boundaries between 'personal care' and 'support' are ill-defined. Although officers were very well aware that medical and nursing care are ineligible in all circumstances, the distinction between personal care and other services was a difficult one for them to draw. For example, is shopping personal care, is helping someone to budget personal care, is fetching a prescription personal care? One respondent tried to clarify these issues by defining personal care as 'doing something for someone' and non-personal care as 'supervising them doing it.'

Personal care of the 'non-hands-on type' was regarded as eligible under the '50 per cent rule.'

Supported lodgings

Supported lodgings were the commonest category of claim which explicitly contained the heading 'counselling and support.' Landlords/landladies in such schemes are often explicitly referred to as 'carers,' so the local authority has to be especially careful to ensure it is not paying for the care element of these arrangements. Supported lodgings organisers would often apparently argue that the Housing Benefit department in their authority has...
passed this. A number of schemes involved Housing Benefit departments at the planning stage. Negotiations took place between different interested parties, including Housing Benefit staff, to establish who was to fund what.

One authority felt that they themselves were perhaps leading supported lodgings rent setting. It was getting known, for example, that the local authority would pay around £90 a week for supported lodgings rents. This authority felt that this was 'about right' for a supported lodgings placement and that they are all much of a muchness in terms of what they actually provide.

Three examples of supported lodgings cost breakdowns are shown in Table 2.2. They illustrate a key theme of the research, namely that the way rent is presented varies considerably. In the first example, the authority was paying £67.72 a week in Housing Benefit (the rent and service charge combined). The authority had not investigated the service charge item.

In the second example, the authority in question was paying £80 a week in Housing Benefit (the sum of all the eligible items). No detailed investigations had been carried out into what activities were being carried out under 'intensive housing management' and 'counselling and support'. With the third example, it was not clear whether the authority had investigated any of the individual items, such as administration or general counselling and support.

Rent Officers and counselling and support

At the time of the research, local authorities were required to deduct 'ineligible care' before it referred rents to the Rent Officers. The sample of authorities appeared not to do this. It was not entirely clear what the requirement to deduct ineligible care meant. Was the authority simply to deduct medical and nursing care? Or was it intended that the authority should deduct ineligible counselling and support? Conceptually, there are three distinct sets of services: ineligible care, eligible counselling and support (including those ineligible charges which the 50 per cent rule makes eligible), and ineligible counselling and support. The boundaries between these are not distinct making decision making for Housing Benefit staff and Rent Officers a difficult job. In some of the authorities, there was a tendency for Housing Benefit officers not to make any attempt to identify ineligible support but to put the onus onto Rent Officers.

Three of the authorities reported that Rent Officers often reduced supported housing rents. These authorities felt that Rent Officers were not taking into account in their valuations the additional facilities being offered. The protected group status of the people being housed in supported accommodation resulted in authorities losing subsidy because they were often unable to reduce the rent. Rent Officers' approach to supported housing rents is discussed in the next chapter.
Table 2.2 Examples of presented rents for supported lodgings schemes

<table>
<thead>
<tr>
<th>Example 1 – Scheme for young people leaving care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent including furnishings £55.00</td>
</tr>
<tr>
<td>Meals (full board) £16.30 IE</td>
</tr>
<tr>
<td>Heating and lighting £5.17 IE</td>
</tr>
<tr>
<td>Service charge related to provision of adequate accommodation £12.72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Example 2 – Scheme for young people leaving care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent £31.50</td>
</tr>
<tr>
<td>Heat and light for own room £1.50 IE</td>
</tr>
<tr>
<td>Communal cleaning £2.00 E</td>
</tr>
<tr>
<td>Furniture and household equipment £3.00 E</td>
</tr>
<tr>
<td>Food (part board) £10.10 IE</td>
</tr>
<tr>
<td>Laundry facilities £1.50 E</td>
</tr>
<tr>
<td>Intensive housing management £20.00 E</td>
</tr>
<tr>
<td>Counselling and support £20.00 E</td>
</tr>
<tr>
<td>Water rates, based on estimate from householder £1.40 IE</td>
</tr>
<tr>
<td>TV/video/radio use £1.00 E</td>
</tr>
<tr>
<td>Total £93.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Example 3 – Scheme for adults with learning disabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental of room (including furniture) £55.62</td>
</tr>
<tr>
<td>Eligible service charges</td>
</tr>
<tr>
<td>General counselling and support 7 hours a week at £5.02 an hour £35.14</td>
</tr>
<tr>
<td>Cleaning own room average 30 mins per day at £3.75 £13.13</td>
</tr>
<tr>
<td>Cleaning communal areas £3.30</td>
</tr>
<tr>
<td>Laundry – provision of equipment £2.16</td>
</tr>
<tr>
<td>Heating and lighting of communal areas (contribution towards fuel for communal areas not separately assessed) £3.30</td>
</tr>
<tr>
<td>Telephone (provision of phone and line) £2.06</td>
</tr>
<tr>
<td>Supervision of calls made £0.67</td>
</tr>
<tr>
<td>Administration – General Management costs including postage stationery insurance (but not for personal possessions) and staff time involved in maintenance and repairs £7.74</td>
</tr>
<tr>
<td>Total £57.50</td>
</tr>
<tr>
<td>Total eligible rent £123.12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ineligible service charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full board £15.66</td>
</tr>
<tr>
<td>Heating, lighting and hot water, one room only £5.20</td>
</tr>
<tr>
<td>Water rates £1.13</td>
</tr>
<tr>
<td>TV licence £1.85</td>
</tr>
<tr>
<td>Personal care (12.5 hours a week at £5.66 per hour) £74.63</td>
</tr>
</tbody>
</table>
Conclusion

The chapter has shown that it is easier for Housing Benefit officers to decide what cannot be included in eligible rent than it is for them to decide what can. Ineligible charges are defined in law but eligible services are not. There was confusion, uncertainty and inconsistency as to what is a service and what is basic rent. Chapter One has shown that housing legislation and housing case law has much to say about service charges, and in the case of variable services provides definitions of what items are service charges. There was little evidence that local authorities consulted this body of knowledge in making decisions about eligible rent. Nor did they refer to information held by landlords on service charge expenditure. Local authority landlords must make returns on service charge expenditure, housing association landlords return similar information to the Housing Corporation through the CORE system (Continuous Recording System).

The authorities chosen for the study were representative in terms of caseload and administrative types. Two had contracted out Housing Benefit administration. Potentially, each of these factors might explain variations in the way service charges are treated. The chapter has shown that, although none of the authorities made excessive efforts to establish what was eligible and what was not, there was variation in approach. Some authorities were more vigilant than others for example, in questioning housing association rent breakdowns, in substituting standard deductions for 'unreasonably low' actual fuel charges, and in assessing a supported lodgings claim. Moreover, some authorities adopted a stricter view as to what constituted 'accommodation-related' than others. Administration type and whether accommodation is contracted out in this qualitative study did not appear to be explanatory factors for the variation found. Caseload, however, did seem to be a relevant factor. Those authorities with a particularly heavy caseload, either overall or amongst particular groups of claims, argued that they had neither the time nor resources to investigate excessively. There appeared to be an additional factor which explains variations in approaches to the treatment of service charges. Some authorities adopted a very relaxed attitude to Housing Benefit, others, by contrast, had a particular remit to contain its expenditure.

The central finding of this part of the research study is that Housing Benefit is paying for costs which it is not intended to pay for. The extent
to which it is doing this is not quantifiable. It is most in evidence (i) with rents that include board and (ii) rents that include support. The reasons why Housing Benefit is picking up some ineligible costs are quite complex. They are summarised thus:

- The regulations and accompanying guidance are not, in the view of the respondents, tightly written and hence there is considerable latitude to interpret what is eligible and what is not. Because eligibility is only defined in terms of ineligibility, decisions on what Housing Benefit can pay for are not straightforward.
- Local authorities report that they are hard pressed and simply do not have the time and resources to make detailed investigations.
- Rents are presented in very many different ways, most of which do not correspond to headings employed in the regulations. It is difficult in these circumstances for authorities to determine eligibility for Housing Benefit.
- Although some landlords or tenants do try to conceal non-housing costs within an overall rent, many landlords would be unable to break down their rent into different elements which could then be assessed for their eligibility.

Although it is difficult for authorities to determine what is eligible, the research showed that in a number of ways Housing Benefit officers could improve their efforts. Application forms could be better designed to help officers determine which services are eligible and which are not. Secondly, authorities could standardise procedures more so that variations within an authority, between different officers, could be reduced. Thirdly, the chapter has shown that authorities are more vigilant towards private-sector rents than they are their own or those of housing associations. Housing associations were shown to be more knowledgeable about regulations than other providers, they were also shown to be explicit in the way they presented rents in order to maximise eligible rent. Lastly, although authorities felt they had no legal powers to demand rent breakdowns, Regulation 73 does give them powers to seek information to substantiate claims. This power was not widely used by the authorities in the study.

A special focus of the research was the service charge “general counselling and support.” The chapter has shown that authorities felt that claims explicitly containing this charge were fairly uncommon. It has also shown that officers were insufficiently aware that support services might be included in a rent either entirely unidentified or contained within some other heading such as “intensive management.” There is a wide range of Housing Benefit claims which might contain support, not just those for supported lodgings. Authorities were generally not deciding in any systematic way whether a charge was eligible on accommodation grounds or whether the “50 per cent rule” was satisfied. There was variation in approach, some authorities took a more constrained view of what was eligible than others. A majority of the authorities, however, were
interpreting, 'related to the provision of adequate accommodation' more widely than guidance, based on caselaw, intends
Introduction

The Rent Officer's involvement in Housing Benefit was discussed in Chapter One. The rent referral form completed by local authorities must show any services and whether they are eligible or ineligible for benefit. The Rent Officer's determination is conveyed to the local authority on a notification of decision form. These are standardised throughout the country, the way in which Rent Officers notify local authorities of their decision, for rents that include services, is shown below.

Figure 3.1 Example of a Rent Officer notification of decision form

| Referred rent       | £99.36pw |
| Rent Officer decision |       |
| Valuation           | £86.00pw |
| Valuation of ineligible services (except fuel and board) | £3.00pw |
| Valuation also includes the benefit of the following ineligible services |
| Fuel for hot water |
| Fuel for space/central heating |
| Fuel for cooking |
| Fuel for lighting |
| Electric power |
| Board              | Full Board |

In this example the Rent Officer's reasonable market rent was lower than the contractual rent. As the example makes clear, the reasonable market rent includes ineligible services.

There are particular rules relating to what the Department of Social Security calls 'hostel cases'. The definition of a hostel in Housing Benefit Regulation 12 is complicated, but includes the fact that it is shared accommodation providing meals and which is not run for profit. The local authority need only refer a sample case, no referral is required if a Rent Officer has made a determination for similar accommodation within the hostel during the previous 12 months unless there is a 'relevant change of circumstances'. Also, with hostel cases the Rent Officer does not put a value on ineligible services.

This chapter presents the research's findings on how Rent Officers deal with referrals involving services. The first half deals with the referral process: the receipt of the referral form from the local authority, the issues arising from the referral about the distinction between rent and services and about the valuation of services, the role of property inspections and finally, the notification to the local authority of the decision that has been
made concerning the referral. The second half of the chapter illustrates the themes that have arisen with reference to the way Rent Officers deal with particular service charges, particularly those relating to counselling and support.

Interviews were carried out with each of the 15 local authorities' Rent Officer services. The research team's first point of contact was always with the Chief Rent Officer. Sometimes the Chief Rent Officer, and the individual Rent Officer dealing with the particular local authority, were interviewed, either individually or together. Sometimes only the local Rent Officer was interviewed and, in one case, the Chief Rent Officer only.

Referring the rent. The research found that the presentation of service charge information on rent referral forms varied enormously. On the whole, there was a better attempt on the part of local authorities to be systematic about distinguishing between eligible and ineligible charges on this form than on the Housing Benefit application form. Although in two cases the Housing Benefit form served as the rent referral form. The content of some referral forms indicated the presence of a service charge, but not an amount. Other forms included comments, for example in the case of a supported lodging referral a note to indicate it was a 'social services case'. Rent Officers were mildly critical of the layout of local authority application forms because these often did not allow a distinction to be made between eligible and ineligible service charges. They were also critical of, but sympathetic to, the fact that officers did not make detailed investigations into eligibility. They felt that local authorities did not have the resources to carry out investigations to improve the quality of information. Like Housing Benefit officers, they felt that inaccurate information could result in underpayment of benefit as well as overpayment.

The whole area of service charges is subject to the local authority being misled to the true facts. It is more likely to mitigate against the tenant because if the authority is deducting a certain element of fuel which is not actually being provided it is the tenant who suffers. But the problem arises in our valuation because we would be valuing at a higher level in the belief that services are included when they may not be included. That's the real problem.'

(Chief Rent Officer)

Quantifying service charge referrals. The Rent Officers were asked to say how many service charge referrals they dealt with and whether such referrals were increasing. Like Housing Benefit Officers, Rent Officers, when asked about service charges, sometimes thought only in terms of ineligible charges. They were unable to quantify service charge referrals with any precision but thought, again like the Housing Benefit Officers, that the number of claims including services had reduced over the years. Respondents from the two seaside towns in
the research sample hazarded a guess that 50 per cent of their referrals contained service charges.

The valuation of services

When asked about their processing of rent referrals involving service charges, Rent Officers felt there was really very little to say.

'The Rent Officer has actually effectively been removed from any valuation of service charges. All we have to do now is to indicate where ineligible services exist.'

(Chief Rent Officer)

All Rent Officers in the study regretted the fact that they could not give separate valuations for services in their Housing Benefit work. They felt, however, that they had a great deal of service charge expertise from fair rent work which involved going through a service schedule with, typically, housing association landlords. The abolition of fair rents on new lettings from January 1990, with the exceptions of those transfers within existing housing association stock, meant Rent Officers moved away from valuing service charges. For new tenancies housing associations now set their own rent and service charge. In tenancies that existed before January 1990, and transfers, which represent 20 per cent of new lets (Rawson, 1991), Rent Officers have jurisdiction to state the cost of providing a particular service unless costs are negligible (Section 31(5), Social Security Act 1986). Respondents reported that valuation of service charges in their fair rent work was still a significant part of their caseload from 15 to 40 per cent.

When asked how they approached the task of determining what part of the rent was eligible Rent Officers responded they were not social security officers, rather they were property valuers. Generally speaking, their definition of rent was a very broad one and one that for valuation purposes did not make, nor many believed should not make, a distinction between eligible and ineligible charges. They valued, as they put it, the 'whole package' and did not do, to use their vocabulary, a 'room only determination.' Rent, they believed, was an attribute of occupying a property, it could include maintenance of the fabric, the provision of food, the provision of services, and so on. The Rent Officers' approach was thus to value the referred rent, net as it should be of water charges and ineligible care, and then, on the notification of decision form, to indicate the presence of ineligible services. The Rent Officers said that the distinction local authorities make on rent referral forms between ineligible and eligible charges was largely irrelevant because they made their own valuations inclusive of services.

On the question of the distinction between rent and service charges Rent Officers echoed Housing Benefit officers. Like their local authority colleagues, Rent Officers felt that the distinction between eligible rent and
eligible services was one which was difficult to make and that it was impossible for some landlords to break a rent down into discrete parts.

'Private landlords are unable to break their rents down because they don't decide to charge on the basis of what it's costing them but on the basis of what they want for the property or to cover their mortgages. That's the way the landlord sets the rent. Their assessment of reasonableness is what they think they can get or what the person down the road is getting, what they know people are willing to pay and by and large it's got nothing to do with what is provided.'

(Rent Officer)

Again like the Housing Benefit officers, there was no consensus amongst the Rent Officers as to what was a service and what was part of the rent. Some, for example, took a different approach to what they called property overheads. One Chief Rent Officer discussed referrals from women's refuges, these projects had heavy 'running costs', for example having to decorate every few months. Since costs were necessary for the general well-being of the building he viewed them as 'genuine accommodation costs rather than services'. Other Rent Officers, however, regarded such overheads as an administration service charge.

A further issue concerning the valuation of referrals containing services, was the difficulty of market testing these kind of referrals. Very often with service charge rents, Rent Officers said, there was no market equivalent. Instead, they said, they had to apply rough measures of reasonableness and to adopt something of the local authorities' approach, such as considering the availability of suitable accommodation and the tenants' needs.

'The trouble with HMOs [Houses in Multiple Occupation] nowadays, the way trends in housing and people's tastes have changed very few paying customers would want to live in a rooming house now, it's an academic thing really, the true value of most of them, the poor ones especially is nil in comparatively commercial terms but of course you can't set nil. So what you do is you allow the good ones a bit more to encourage the better landlords. I suppose there's the social aspect to it. You have to think of the people and use discretion and common sense.'

(Chef Rent Officer)

These points are discussed in more detail below with reference to the service charge 'general counselling and support'.

Inspecting properties The last chapter has shown that local authorities relied on Rent Officers to identify concealed services but the Rent Officers were opposed to any suggestion that they were policing the Housing Benefit system. Rather, their purpose in carrying out inspections, they were at pains to point out, was to establish for the purposes of valuation what was being provided. At the time of the research, nationally, Rent Officers inspected about a third of all referrals (Kemp and McLaverty, 1994). The Rent Officers in our

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study tended to visit above average rents, board and lodgings, HMOs (Houses in Multiple Occupation) and when asked to do so by a local authority if services were suspected. The Rent Officers in the study employed a number of tactics on their visits for finding out what was being provided for the referred rent. For example, they looked for padlocks on kitchen cupboards as a sign that food was provided, carried out visits early in the morning in order to find signs of breakfast provision and they flicked switches to find out who, as they put it ‘was feeding the fuel’.

Notification of the determination decision

Rent Officers do not give individual service charge valuations. This meant local authorities in the study did not know the extent to which the presence of a service charge had influenced the determination. It was very common for the local authorities to get back low determinations, for example for board and lodgings referrals, but impossible for the authority to know from the decision form whether and by how much ineligible or eligible services were responsible for the low determination. In the boxed example given above (Figure 3.1) of a notification decision, there is no indication as to why the Rent Officer’s determination was lower than the referred rent. The element of that referred rent which was considered unreasonable by the Rent Officer was not known to the local authority in question nor to the Rent Officer who made the determination since Rent Officers do not carry out discrete determinations of different parts of the total rent. They valued, as has been said, the whole package. Similarly Rent Officers were often vague as to what local authorities did on receiving their determinations whether they applied them as most apparently did, or whether they paid the full contractual rent thereby losing subsidy.

Redetermination rates varied a lot in the 15 areas but generally had reduced considerably since the early days of benefit subsidy work. Often authorities asked for a redetermination when a protected group was involved. Rent Officers thought that redeterminations were rarely explicitly concerned with service charge valuations however it was evident that many redeterminations involved supported housing referrals.

The rest of this chapter looks at how Rent Officers deal with particular services charges.

The treatment of individual service charges

All the Rent Officers were very critical of the standard meals deduction, which they believed was far too low.

Meals: 'A five-fold increase in statutory deductions for food would still be reasonable – my hobby horse'

(Rent Officer)

The deduction approach offended their professionalism, it ignored, they believed, the wide diversity of meals provision in their area. The Rent Officer’s task is to decide the value of a rent and associated services. The
meal deduction, Rent Officers persistently pointed out, bore no resemblance to value. Around a quarter of Rent Officers said that standard deductions led to higher Housing Benefit awards being made than would have occurred if a deduction based on a realistic assessment of cost had been made.

There were some Rent Officers in the study who, rather than assessing each individual referral which contained board, applied 'norms', for example for an adult full board £45 a week, for a child under nine years £24 a week. To Rent Officers, 'norms' are standardised values at regional or national level supplied by the Institute of Rent Officers as guides to good practice. Norms are different from the local authorities' standard deductions because they are calculated using market rates and then applied as a blanket cost to all valuations inclusive of board.

A number of Rent Officers commented that they believed it unfair for one tenant on Income Support in bed and breakfast accommodation to be getting all his meals for £16 30 a week while another, also on Income Support, living in a bed-sit would be catering for himself and likely to be spending far more on food. Some Rent Officers shared Housing Benefit officers' views that the meals deduction gives some landlords an incentive to provide meals because they know that rent with meals will be valued more highly than rent without. In the previous chapter reference was made to 'bed and breakfast abuse'. Some landlords who claimed to be providing board and lodging were providing either a minimal breakfast or no breakfast at all. In the local authority which had acted to stamp out abuse, the Rent Officer had worked in partnership with benefit officials and had agreed to carry out, on a temporary basis, a room only valuation. The Rent Officer valued the basic rent, not rent plus services.

'I don't think it was exactly conforming to regulations, it saved a lot of local and national money and cleared the system. Stopped the abuse, since then sham B&B have disappeared.'

(Rent Officer)

These procedures resulted in a reduction of claims for what were often thought to be bogus bed and breakfast accommodation. In one particular area an MP had got involved in a disagreement between the Rent Officer and the local authority over meals. The National Association for the Care and Rehabilitation of Offenders (NACRO) had placed a client in bed and breakfast accommodation and then found him a place on a training programme which involved him leaving the house before breakfast was served. The tenant was given food to prepare. The Rent Officer reduced the initial determination by £15 00 on the assumption that the breakfast was no longer being provided. In other words the Rent Officer's valuation of breakfast provision was much higher than the standard deduction. The particular authority subsequently reduced the rent. After discussion the
Rent Officer agreed to accept that the food was a meal and returned to the original determination.

**Fuel** As the last chapter has shown, with fuel there is far less discrepancy between the Rent Officers' valuation and the standard fuel deduction. Rent Officers' approach to fuel was summed up by one respondent's comments: 'we use our expertise to decide what element of a rent is represented by fuel.' Although local authorities were usually unaware of what Rent Officers had allowed for fuel, it was apparent from our discussions with the latter that their valuations were similar. Rent Officers in valuing fuel made distinctions between rents which included a charge for supplementary heating as well as central heating. In general, Rent Officers seemed to play an important role while carrying out property inspections, clarifying fuel expenditure by establishing which different fuel sources the tenant was paying for and which were included in the rent.

**General counselling and support** Rent Officers in theory, should not have the problem of deciding what support within a rent is eligible and what is not since local authorities should have deducted ineligible 'care' before referring these sorts of rents. However, as Chapter Two has discussed, there was confusion as to precisely what authorities should have been deducting. Sub-paragraphs (d) to (f) of Paragraph 1 of Schedule 1 are all concerned with 'care' in the loose sense of the word.

- (d) refers to ineligible charges in respect of medical expenses
- (e) refers to ineligible personal or nursing care
- (f) refers to ineligible counselling and support

It is not entirely clear whether local authorities should have been deducting only (d) and (e) above or whether ineligible 'care' included ineligible support and hence (f) should also be deducted. The Rent Officers in this study were of the view that local authorities were rarely deducting charges relating to (f) and they were therefore valuing some rents which did include ineligible 'care' in the loose sense of the word. They themselves used the word 'care' to cover both personal care and counselling and support. They did not like, however, having an involvement in determining rents which included ineligible care or support.

'We are property valuers.'

(Chief Rent Officer)

'We have no idea how to value care. We know how to value rents but not how to value someone putting a stamp on a letter for somebody who cannot do so.'

(Rent Officer)
'I won't say we don't feel qualified but we feel it's an unreasonable imposition on landlords to start questioning what it costs them because you or I cannot possibly know what's involved. The landlord can be called out in the middle of the night because two of them are fighting someone, someone is trying to cut their wrists or forgets to take their medication and it's difficult to quantify what the landlord would consider is adequate compensation for that.'

(Rent Officer)

The Rent Officers in the study reported that the number of referrals explicitly relating to counselling and support were very limited in number but caused them difficulties. Like the Housing Benefit officers they were not always aware that some supported housing rents, for example for hostels, may contain unidentified support. They were not particularly critical of the local authority failure to pick up support within claims on referral forms. They felt that local authorities did not have the resources to investigate adequately what was eligible and what was ineligibile support.

The Institute of Rent Officers have produced guidance for their members on how to make determinations in what the profession generally regards as a difficult area. An article in the Rent Officer's journal (Bryant, 1995) gives advice on how to operationalise the '50 per cent rule'.

It will be incumbent on landlords to bear the burden of proof as to how they spend time providing services and my view is that such time will usually only qualify when a large number of tenants is involved. In such cases, the costs will be thinly spread and of little value in each case. The exception will only be where there is a high ratio of staff to occupants and the Rent Officer must have that fact clearly demonstrated to him.

(Bryant, 1995)

The practice notes that were available to Rent Officers at the time of fieldwork suggested that the cost of counselling and support should be no higher than £20 a week. Subsequent advice takes a less 'generous' view. Rent Officers are reminded that 'it is difficult to imagine circumstances where general counselling and support could be valued at more than a few pounds a week.' and that the hourly rate of pay could well be that of unskilled labour (Institute of Rent Officers, practice notes 95/4). None of the Rent Officers in the study attempted any precise analysis of the time spent on providing services in order to establish whether the '50 per cent' rate was satisfied. Most of them in fact seemed either unaware or very hazy about the implications of the '50 per cent rule'.

The Association of District Councils has expressed concerns about Rent Officer valuations of supported housing rents, which it has argued are high because of service charges. It has argued that a third to a half of these rents are attributable to eligible service charges. The Association has claimed that Rent Officers are very varied in their approach to supported housing.
rent referrals and in some parts of the country have determined rents which are considerably lower than the contractual rent (ADC 1994). It has also argued that the Rent Officer’s Additional Functions Order requires them to compare rents with the level of rent under similar tenancies of similar dwellings and that the phrase ‘similar tenancies’ implies that the Rent Officer should take into account the special needs of tenants in so far as these are accommodation-related.

**Absence of market information**

This research, in its analysis of how Rent Officers deal with supported housing rents, confirms the ADC’s view that Rent Officer approaches to supported housing determinations differ. However, a consistent theme was the difficulty posed by an absence of market data, hostels, supported lodgings and shared housing tend not to accommodate tenants who can pay market rents.

‘There is no specific market evidence of a care case because by definition if people are requiring a certain amount of assistance to live in a property then they don’t actually negotiate a rent. We do try to be quite generous in our evaluations because we recognise the fact that landlords are not going to provide this type of accommodation at the same type of rent as for someone who don’t have the same amount of management problems. Therefore we do try to look at them generously. While it might be difficult for you to imagine that we could value it, it’s very much like the rest of the board, we do get into a valuation pattern in that we do relate and whilst there can be some difference it is not difficult to relate two valuations and be able to come to a figure which relates to each other.’

(Chief Rent Officer)

Our difficulty with hostels is that the vast majority are catering for very individual needs, special needs, and it is very hard to reconcile our straightforward market rent work where we are looking at the raw market place and the trends created by the tastes of the paying customers within that market place and then trying to apply that to projects specially set up to cater for individual needs of a minority. I mean the two are irreconcilable.’

(Chief Rent Officer)

What Rent Officers did with what they called care cases was to ‘build them up’ or ‘enhance them’ so the determination reflected the additional costs to the landlord of accommodating people with special needs. In the case of a supported lodging referral, for example, Rent Officers would start by regarding it as ‘board’ and then build it up, that is add on the additional costs.

‘We would look at what the market is and there is a school of thought which suggests with a care case because of the additional attendance it should be loaded up because the landlord will want a greater return because of the greater amount of time and effort put into the tenancy.’

(Rent Officer)
Rent Officers would regard a supported housing rent as reasonable if they were satisfied that the rent represented the extra costs of managing the property. They would generally regard it as unreasonable if they thought that it represented support to the individual. The Institute of Rent Officers’ practice notes suggest that it is sometimes appropriate for supported housing valuations to reflect risk of physical damage or abuse to properties which might arise as a result of accommodating special-needs tenants. They also tried to inspect all supported housing referrals.

**Variation in approach to supported housing valuations**

Differences in the valuation of supported housing referrals were evident in the study.

Around a third of the Rent Officers adopted a very strict view of what activities were accommodation-related. The following example serves to illustrate this point. One Rent Officer determined that:

(i) ensuring the safety of the home from accidents with cooking utensils when the landlord is cooking was an item of personal care.

(ii) ensuring the safety of the home from accidents with gas and electricity equipment was an item of personal care.

(iii) ensuring the house is safe and secure, checking windows are locked at night and when the house is empty and reducing damage to furniture and the premises were all accommodation-related activities.

In this particular Rent Officer area, one supported housing rent was reduced from £150 to £90 and another from £147 to £110. The local authority asked for redetermination which in fact confirmed the earlier determination. The original Rent Officer had apparently believed that the presenting rent was unreasonable because it was partly covering the tenant support costs.

The majority of the Rent Officers in the study, took a rather less strict approach to supported housing rates. These officers relaxed their normal strict market approach and took into account in their valuations the individual needs of tenants and the possibility that low determinations might lead to a closure of a project and hence to additional public costs.

Some Rent Officers adopted a ‘norms’ approach to supported housing referrals rather than strictly valuing each referral individually. An example of this approach is given below:

'A women's refuge/Salvation Army hostel where there is a certain amount of support would perhaps enhance the value by £10 a week. For a placement by the probation service for a young person in trouble where there is a lot of supervision required we would enhance it by say £25 a week. Where there is...
actual nursing provided and some serious illness we would enhance the rent by £40 a week.

(Rent Officer)

The explanation for the variation in the treatment of supported housing rents by Rent Officers appears to lie in the individualistic culture of the Rent Officer services as it is currently constituted.

Conclusion

The chapter has shown that in valuing a tenancy Rent Officers make no distinction between eligible and ineligible services. Their reasonable market rent determinations are inclusive of services.

This approach is at odds, particularly in the areas of board and support, with local authorities. Rent Officers were critical of the way their responsibilities have been defined as far as the determination of services are concerned. They have a history of expertise gained through the process of setting fair rents and fair services but their present obligation, as far as service charges are concerned, is simply to indicate whether or not the rent is inclusive of ineligible services. Like the Housing Benefit Officers the Rent Officers in our study felt that it was very difficult for landlords or tenants to break rent down into constituent elements from which decisions about eligibility could be made.

The two parallel systems, the Rent Officers' based on market evidence and the local authorities' based on quasi-market evidence and on other factors such as affordability, have different consequences for Housing Benefit expenditure. In the case of board and lodgings, Rent Officers believed, like Housing Benefit Officers, that the interaction of the two approaches leads to a subsidy of meals by Housing Benefit which they were not in a position to quantify. In the case of supported housing, although Rent Officers do not deal with the bulk of this sort of accommodation, there is possibly an opposite effect. Where Rent Officers do get involved with supported housing rents, this study suggests that their determinations will be lower than the referred rent. If local authorities then use this determination as their means of the reasonableness of market rents, then less Housing Benefit will be paid out than in the case where no referral was made. Generally the Rent Officers' determinations of supported housing rents are more in line with the Department of Social Security's guidance on the 'provision of adequate accommodation' than are most local authorities' approaches to supported housing.

There was, however, evidence in the study of a varied approach by Rent Officers to supported housing. Some were stepping outside a strict valuation approach in recognition of the fact that there is an absence of market data in this area. They were taking into consideration the characteristics of the people being housed.
4 HOUSING BENEFIT AND SUPPORTED ACCOMMODATION: THE PROVIDER'S PERSPECTIVE

Introduction

This chapter details the experience of providers in delivering supported accommodation to people on Housing Benefit. In particular, the chapter will provide:

- a description of the different types of providers included in the study, the type of accommodation, client group, and services provided in the accommodation;
- details on the charges to the user in different types of accommodation and the role of Housing Benefit and personal income in meeting these charges;
- an examination of the decision-making process of providers in setting rent levels/charges to users, and the sources of finance available to supported accommodation providers;
- an appraisal of providers' own assessments of the overall adequacy and appropriateness of existing funding arrangements for supported accommodation.

A description of the providers

A range of different types of providers of supported accommodation were included in the study. This allowed an examination of the perspective of housing providers operating within very diverse settings and financial arrangements. Table 4.1 shows that 19 providers of supported accommodation were interviewed across four local authority case-study areas. The sample included four categories of provider of supported accommodation: local authority, housing association, voluntary sector, and the private sector.

Table 4.1 Type of provider

<table>
<thead>
<tr>
<th>Case study area</th>
<th>Local Authority</th>
<th>Housing Association</th>
<th>Voluntary Sector</th>
<th>Private Sector</th>
<th>Total</th>
</tr>
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<td>1</td>
<td>2</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Local authority B</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
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<tr>
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<td>-</td>
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<tr>
<td>Local authority D</td>
<td>1</td>
<td>-</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
<td><strong>2</strong></td>
<td><strong>8</strong></td>
<td><strong>4</strong></td>
<td><strong>19</strong></td>
</tr>
</tbody>
</table>

In practice, the types of provider overlapped to a considerable extent. In particular, some of the voluntary organisations were managing schemes in partnership with housing associations. A couple of schemes, one being operated by a social services department and another by a voluntary-sector body, were working with private-sector landlords to provide supported...
placements. There were two examples where a housing department, housing association and voluntary agency were working in partnership to provide supported tenancies. However, in all cases the respondent interviewed was a representative of one of the four categories of provider and therefore gave their organisation's perspective on operational and funding arrangements.

In the local authorities and housing associations most of the respondents were housing managers involved in policy development rather than direct 'hands on' providers. They were selected as they could provide a detailed overview of the supported accommodation schemes being run by the organisation. In the voluntary-sector schemes, the respondents in the main were mainly co-ordinators/managers of particular schemes and were thereby both involved in policy development and being direct providers. The private-sector respondents were individual landlords/carers providing accommodation to a small number of people in their own homes/property. Two of these providers had until recently been part of a supported lodgings scheme organised by a social services department.

Although we had hoped to interview people who were aware of their organisations' rent setting policies, in the event, knowledge of the financing of the schemes varied quite widely. Some of the providers in the study were providing both general housing and supported accommodation, most notably in the case of local authorities (and one housing association). In this case the interviews concentrated on the supported accommodation. By contrast, the voluntary-sector providers were normally specialising in providing supported accommodation. The private-sector landlords were not involved in providing ordinary private rented accommodation.

*Types of supported accommodation*  
The providers were delivering a very broad range of supported accommodation:

*Hostels*  
Individual or shared bedrooms. Shared bathrooms and other communal facilities, like lounge and laundry. Furnished. Twenty-four-hour staff cover. Either emergency or short stay provision, with no security of tenure or a licence agreement. Varying numbers of bedspaces.

*Supported group homes*  
Individual rooms or cluster flats with sharing of bathroom/kitchen. Usually other communal facilities. Furnished. Staff support during the day/key working system. Length of stay variable, often six months to a year. Usually licence agreement. Small number of bedspaces.

*Supported lodgings*  
Individual room in private house, often access to rest of house. Furnished. Resident landlady/host provides services to lodger, may be quite high level of support. Varying length of stay according to

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schemes, often long-term placements. No security of tenure. Usually one or two people placed in one house.

Bed and breakfast Individual or shared room, some communal facilities like lounge. Furnished. Landlord/landlady provides services, usually low support. Varying lengths of stay, often short term. Usually a number of people in property.

Sheltered housing Self-contained studio flats, one-bed flats. Unfurnished. Warden services. Permanent accommodation, usually with assured (or secure) tenancies.

Supported tenancies Self-contained flats/houses. Unfurnished. Support provided by peripatetic staff. Permanent accommodation, with assured or shorthold tenancies, support may be for a specific period of time.

Temporary housing Self-contained accommodation. Furnished. Some tenancy support from housing staff. Temporary accommodation with no or limited security of tenure.

The local authorities were providing three main types of accommodation: temporary housing, hostels (including one County Probation Service bail hostel), and sheltered accommodation. In addition one supported tenancy project, and one supported lodgings scheme was being provided in this sector. One of the housing associations was providing sheltered accommodation, the other supported group homes. The voluntary-sector providers were almost exclusively providing one of three types of accommodation: hostels, supported group homes, and supported tenancies. Three of the four private-sector providers were providing supported lodgings, while the other provided bed and breakfast accommodation.

Nearly half of the providers were delivering more than one type of supported accommodation. In particular, individual local authority housing departments and voluntary-sector agencies were providing a mixture of schemes. Often these were being operated as staged accommodation where, for example, clients could progress through hostels, to supported group homes and then tenancies as they became more independent. The housing associations and private landlords in the study were concentrating on providing one type of accommodation.

The types of people being housed Overall, a very wide range of client groups were being catered for by the providers. These included:
- homeless families
- single homeless people
- women fleeing violence
- older people
- young people, particularly care leavers and young women.
• ex-offenders and bailees
• people with drug and alcohol problems
• people with mental health problems
• people with learning disabilities

The four different categories of provider were all catering for a number of client groups. Housing department accommodation catered for homeless families, single homeless people, young people, and older people. Other local authority provision was being provided for people with learning disabilities and bailees. The two housing associations were catering for older people, and people with mental health problems and people with alcohol and drug problems, respectively. The client groups of voluntary projects included ex-offenders, young people (particularly women), women fleeing violence, people with mental health problems and those with drug and alcohol problems. Two of the landlords/hosts were providing accommodation to older people, another to people with learning disabilities, while the bed and breakfast establishment was accommodating single homeless people with a range of support needs. With the exception of local authority housing departments, most of the individual providers in the study were catering for one client group.

The supported accommodation client groups were nearly all defined as having 'special needs' as listed in the Housing Corporation's Special Needs Procedure Guide (1993). As with the Housing Corporation definitions, most of the client groups were single people rather than families or couples.

The vast majority of people were homeless or in housing need at the time of entering the supported accommodation. Most people would have had few other housing options available to them. Some people had literally been placed in the accommodation, particularly in some forms of local authority accommodation. For example, people had been homeless to the housing department, and those who had been placed by a court in a bail hostel. Others would have had a very constrained choice, perhaps between a number of types of temporary accommodation, for example, hostel provision or bed and breakfast accommodation. Only a minority would have had a reasonable element of choice over their accommodation.

Many of the clients would have been considered to be homeless while living in the supported accommodation. Much of the supported accommodation was temporary in nature, and many clients had little or no security of tenure, either having a lease agreement or having no written agreement at all. However, those in supported tenancies or sheltered accommodation were in long-term permanent accommodation, usually with short hold assured or assured tenancies.
Most people in all the forms of accommodation were on a low income, and were most commonly in receipt of Income Support. The amount of Income Support received by the clients varied depending on their level of need and, therefore, benefit entitlement. Some also received other benefits, like Attendance Allowance. The minority in work were in low-paid employment.

In all forms of accommodation, a large majority or all of the clients were in receipt of full Housing Benefit. Only a tiny minority received partial Housing Benefit, or no Housing Benefit at all. For those not in receipt of Housing Benefit, providers reported that people often found it difficult to meet their housing costs. Three of the four private providers had recently registered under the Residential Homes Act as a small home two of whose clients were receiving transitional Housing Benefit protection, with one having gone over to time small home funding. At the time of the study an amendment to the Residential Homes Act came into force. The implication of this change in legislation was that any accommodation for one or more people had to register as a residential home if meals and personal care were being provided. Housing Benefit then would no longer be available for new occupants.

Scale and location of accommodation

The number of properties and bedspaces being provided by the different providers varied enormously. Local authority housing department schemes, unsurprisingly, were delivering the largest amount of provision, for example, one local authority had 77 sheltered units comprising 3,200 properties as well as hostel and short-life provision. One of the housing associations was quite large, again specialising in sheltered provision while the other was providing about 30 bedspaces in seven properties over two schemes. In contrast, many of the voluntary-sector organisations were providing one or two houses providing less than 20 bedspaces in total. The private sector was providing the least amount of bedspaces, supported lodgings being for one or two people in a private house.

The majority of the supported accommodation was located in areas of low- or average-cost housing. Much of the local authority housing department stock, as well as some of the housing association and voluntary-sector schemes was situated in low-cost areas. Most of the remaining accommodation in these sectors was sited in areas which were perceived to be neither high- nor low-cost. However, some of the supported lodgings being organised by social services and provided by the landlords appeared to be in above average-cost areas.

Rationale for the provision of supported accommodation

In the case of much of the local authority provision, supported accommodation was being delivered as part of duties under specific pieces of legislation, most prominently the homelessness and community care legislation.
Housing associations, as the main providers of new housing, were primarily concerned with delivering high quality accommodation to people. As part of this remit, support was being provided so that people were able to access and live in appropriate forms of accommodation.

Many of the voluntary-sector agencies and projects had been set up to respond to the needs of particular groups of people. Generally, they were providing housing and support to people who were finding it difficult to access suitable rented housing and had particular additional needs for support. Ultimately, the aim of most of the agencies was to enable people to become independent and able to maintain their own tenancies, through the provision of resettlement and support services. As with housing associations, housing was the starting point for much provision.

"Y was conceived primarily as a housing project and this vision grew to include a service that could provide intensive levels of support as required."

(Annual report voluntary provider)

"X Housing Project provides a supported housing and resettlement service to those unable to access appropriate accommodation elsewhere."

(Published leaflet, voluntary provider)

Three of the four private-sector landlords appeared to have been motivated to provide supported lodgings primarily by a desire to provide care and support to people rather than a desire to let accommodation for rent. The bed and breakfast landlord had set up as a commercial business and then apparently stumbled into providing support to people. The backgrounds of the landlords also appeared to have had an influence on their decision to provide supported accommodation. All had professional caring experience in social work, social services generally or nursing. Additionally, one of the landlords had a brother with learning difficulties for whom he had been caring before providing lodgings to clients.

"It was the caring side that was of interest to me. I wouldn't have just rented out a room to a tenant on the open market. I just aim to offer a family home to an elderly person."

(Supported lodging provider)

"Why do I let to these people? When I took over I thought it was just an ordinary B&B. I didn't really know there were homeless people around. The motivation to care for people who needed support was by accident. I expect it was because I had always been used to caring for all corners when I was nursing."

(Private bed and breakfast proprietor)

Services being provided A broad range of services was being provided to people living in local authority, housing association, voluntary-sector and private-sector accommodation. Overall, similar services tended to be provided in the same types of accommodation, like sheltered or hostel accommodation, irrespective of type of housing provider.
Below, the different services provided are examined. Services can be categorised into two broad types. First, activities which are normally associated with living in accommodation, like meals and laundry, which would not normally be considered as support services, although in some cases they may be provided as such if people are unable to provide for themselves. Secondly, activities which are more directly related to supporting people will be examined, including warden services, counselling and support and personal care.

**Meals**

Meals were provided by less than half of the supported accommodation providers. In particular, residents had to find their own meals in the local authority housing department temporary housing and hostels, sheltered accommodation provided by the local authority and the housing association as well as much of the voluntary-sector accommodation. Residents had access to their own or a shared kitchen in many of the supportive group homes and some of the hostels.

However, meals were provided in all of the private supported lodgings and bed and breakfast accommodation. The private landlords provided full board, which was cooked and served by the resident landlord. The few providers in the other sectors who did provide meals tended to provide half board. In one hostel, residents were charged for meals and this money was used for a weekly shop by the residents who then prepared all their own meals. The adult placement scheme organisers also stated that sometimes lodgers would prepare their own meals. Thus, occasionally, the provision of food for cooking was used as part of the process of helping people to become independent.

Virtually all categories of provider charged the Housing Benefit standard amounts for meals. The one exception was the above case of the hostel where a communal weekly shop was being done, where residents were only being charged £10 a week. Despite this one lower amount, a number of respondents commented that the Housing Benefit figures for meals did not reflect the true cost of providing meals.

"Food is taken off at £16 per week and that is what the resident pays but it costs much more for me to provide it. I shop at the market to get more reasonable food, well I expect if I gave them egg and chips every day I could manage on that amount but that's not the way I work."

(Private provider, bed and breakfast)

It was not clear how the providers then met this deficit, but it was possible that other parts of the rent were meeting part of the meal costs.

**Heating, hot water and lighting**

In the majority of supported accommodation, heating, hot water and lighting was paid for by the provider and a fixed weekly charge for fuel was made to the resident or lodger which was met out of their personal
income. In most cases, the provider was able to specify an overall amount for fuel. This was often broken down further into the component parts of heating, hot water and lighting, and sometimes cooking. The charges for these items varied quite considerably by provider, in particular heating costs were sometimes quite low (e.g. £3.50 a week for heating and lighting in a local authority hostel), as compared to £10.41 for heating in a voluntary scheme. A separate charge was also often made for water rates, varying in the case in this study between 40 pence and £4.98 per week.

Communal facilities

Most types of providers and types of supported accommodation had laundry facilities available on site with the exception of a few private providers where launderette facilities nearby were used. Sometimes a small amount of £1 a week or so (eligible for Housing Benefit) was specified for access to laundry facilities, but commonly an unspecified charge was included in the overall rent figure.

Many of the supported accommodation types had other communal facilities like resident lounges and the provision of a television and payphone. Most of the facilities were solely for use by the residents. However, in the housing association sheltered accommodation, the lounges were being let out to social services so that a local day centre could be provided on-site. In this instance, the income from social services was used to reduce the cost of service charged to residents.

Cleaning services

It was usual for communal areas of supported accommodation to be cleaned by the providers' own cleaning staff. A small eligible charge was sometimes specified, but as with the provision of laundry facilities, this service was often included in the overall charge. In the housing association supportive group homes and two of the voluntary-sector hostels, residents cleaned the communal areas on a rota basis.

In virtually all cases, residents were required to clean their own flats or rooms. Cleaners were only used when a person moved out of the accommodation to prepare it for the next resident. However, in the case of a couple of the private-sector providers and the supported lodgings scheme run by social services, the rooms of lodgers were cleaned by the landlord as the lodgers were considered unable to clean the rooms themselves. In the case of the supported lodgings scheme, there was a high element of £13.00 a week, eligible for Housing Benefit, allocated in the rent for the cleaning of residents' rooms.

Nearly all residents were required to undertake their own personal laundry using the facilities provided, however, in a few of the private supported lodgings placements the landlord did launder lodger's personal washing. In the case of some hostels, staff laundered the bedding for residents. It was not clear what charge the providers were making for these services.
Furniture, decoration and other services

All providers, with the exception of the case of supported tenancies and sheltered accommodation, supplied furniture. Providers were responsible for the renewal and repair of all furniture. In the local authority sector and some of the voluntary provision, a charge was specified for furniture which was eligible for Housing Benefit. The charges varied between £6.50 in one voluntary scheme to £17.87 a week for one local authority hostel. One scheme also specified a 45 pence a week charge for insurance to cover the theft of furniture. In addition, providers usually arranged for the internal, as well as external, redecoration of the properties, although this was not usually specified as a separate charge.

Other miscellaneous services being provided by a few providers were gardening and ground maintenance, smoke alarms and closed circuit television. The purpose of the closed circuit television was to try to reduce the amount of theft of property. A specific charge was not always specified for each item. A general management charge was also sometimes included in the eligible rent. In a couple of cases the charge for management costs was specified, £13.00 by one private provider and £3.50 by a voluntary provider.

Support services

The nature of support services being provided in the accommodation varied considerably according to type of provider and accommodation. The different forms of support are explored in this section. Some figures are given for support service charges, the detailed funding of this support will be examined later in the chapter.

Overall, the local authority housing department forms of supported accommodation were offering relatively low levels of support, particularly to homeless families in leased accommodation or dispersed hostels. This low level support often took the form of some basic tenancy support given by community housing workers involving general checks on families and individuals, some help with filling in benefits forms and providing information on other social, health and education services. In family and direct access hostels, there was often twenty-four-hour staff cover in the form of receptionists/night workers, but this was seen as providing general supervision and ensuring the safety of the residents and the accommodation, rather than intensive counselling and support to the residents. The charges for this tenancy support and for reception workers was usually included in a general 'occupation charge' for the accommodation, eligible for Housing Benefit.

The local authority and housing association sheltered accommodation provided support to older tenants through traditional warden cover, as well as an emergency alarm system provided in each tenant's home and operated centrally, either by the local authority or housing association. The warden services were eligible for Housing Benefit and varied between £10.89 and £14.36 a week. The warden cover in both sectors was during...
normal working hours, while the emergency alarm system was available during evenings, overnight and at weekends. The warden was described as providing a 'good neighbour' service, which primarily involved popping in to check people were fit and well.

The voluntary-sector providers and the housing association providing supported homes, appeared to be providing more intensive support to residents. For some, counselling and support was seen as 'quite the biggest part of the work'. Project staff tried to give practical assistance with a whole range of tasks, including budgeting, housing and welfare benefits, cooking, and resettlement issues such as getting loans or grants for furniture. One respondent explained the type of support they were able to offer to young women:

'Quite a high level of support, it is not a therapeutic project, we wouldn't give intensive counselling to young women who lived here but we would certainly give them emotional support, help them look at issues they wanted to look at, so emotional support, practical support, all the stuff about independent skills learning how to cope on their own, cook for themselves, budget themselves, shop for themselves, clean for themselves, social skills, and providing information on benefits, training projects etc and if there is anything we can't do then we'd access them into professional help if they wanted to go into therapy, or counselling, we would access that and support them whilst they went through that'  

(Voluntary-sector provider)

A few providers were able to state a charge for this support, for example £8 or £11.50, which was part of the overall charge and eligible for Housing Benefit. However in other cases no specific charge was stated for support services, though the providers thought an element must have been included when the costs were originally worked out for the scheme. This cost for support services only formed a small part of the overall cost of providing these services, as explained later.

A few providers provided an intensive programme of activities for people to help them address specific areas of their life. The most obvious example of this was the alcohol and drug project being run by a housing association, where people were required to follow a weekly programme involving one-to-one and group work sessions in order to continue living in the accommodation. The provider thought there was a £17 charge in the overall rent, met by Housing Benefit, which represented a small contribution towards the cost of this support.

One or two of the providers stressed the need to provide continuous long-term support to people in their care, for example to older people in sheltered accommodation. However in many cases both the support and the accommodation being provided to the person was temporary in
nature, and involved preparing people to move out of the accommodation to independent living arrangements. A few providers of hostel and other temporary forms of accommodation also provided some aftercare support to their clients.

‘What we do is also offer aftercare support working with other project workers. Whilst they are in here safe and secure they have the support of the staff and other residents. When they go out they are usually enthusiastic initially but that wears off and they become bored and lonely and that is the vital stage when they would go back to drinking unless we give this support’

(Voluntary-sector provider)

In the case of a few providers, support was being delivered to people already in tenancies, and here the support itself was slowly withdrawn from the person as they became more independent, and allocated to new people in other tenancies in need of assistance. One provider commented how they provided support to ex-offenders.

‘It is a weaning process, I give them reasonably intensive supervision for the first two or three months and then less and less as they are coping better and better’

(Voluntary-sector provider)

A few of the voluntary agencies and one housing association were also involved in ‘outreach work’ where workers met up and supported clients in places outside the accommodation, for example in the street or in cafes. In particular, women’s refuge staff were spending quite a considerable amount of time doing outreach work with women who were suffering domestic violence and needed support but were unsure as to whether to enter a refuge or had decided not to. There was no separate charge for aftercare and outreach work, they were included in the charge for support services where this was specified.

Two of the voluntary-sector organisations and two of the private-sector providers were either administering medication to residents, or supervising self-medication. This usually involved making sure someone was taking their prescribed tablets at specified times.

The private providers were providing a range of services to their residents/lodgers including some help with filling in forms and general advice. In addition, however, some of them were also providing some personal care to their lodgers/residents. More significantly, some private supported lodging providers called themselves ‘carers’ rather than landlords or hosts. In one case this involved quite a high level of personal care, including helping with bathing, dressing and getting into bed. Another private provider provided a smaller amount of personal care.
‘At the odd time I do personal care, but not as a rule I have to rally them around to get bathed sometimes and will sometimes go as far as running the bath water and telling them to get in’

(Private-sector provider, bed and breakfast)

*Providers’ definitions of support*

Terms such as ‘support’, counselling and support and ‘personal care’ are often used in the provision of supported accommodation with little accompanying explanation of their meaning. Providers in the study were therefore asked to define the types of support they were providing.

Overall providers tended to discuss the provision of ‘support’ as a generic term for many different types of assistance. People rarely discussed services in terms of the Housing Benefit term ‘counselling and support’. They did, however, more often use the term ‘personal care’.

One private supported lodging provider defined the Housing Benefit term ‘counselling and support’ as that support given to enable a person to live safely in the accommodation. The landlord explained that in the case of his lodger, a person with learning disabilities, this meant providing basic supervision during cooking, use of electrical equipment and assisting with relationships with neighbours. However, this landlord went on to say that the Housing Benefit category of ‘counselling and support’ was not appropriate to his kind of provision.

‘Counselling and support is relevant to landlords who do a little bit, it would be relevant for a landlord who had someone who was mentally ill who he perhaps had to keep an eye on, but he wasn’t caring for them, but it’s not relevant for us who are caring 24 hours a day’

(Private provider)

‘Personal care’ was generally seen by providers as being services which are provided for the person, like dressing someone, which are usually related to intimate personal care like personal hygiene, bathing and helping someone with food. Such an approach accords with that adopted by Housing Benefit staff as discussed in Chapter Two.

One housing association respondent discussed how difficult it was to distinguish between housing management and what he termed social care functions, and how they crossed back and forth with one another.

‘Basically we provide a housing management function with intensive housing management. We worked on some very basic things with one person about maintaining his accommodation, and paying his rent and being aware of his neighbours, but then when we begin to talk about issues of personal hygiene, that is not a housing management function, but it is, in one respect it is, in others it isn’t, it is a social care function but if it ensures that the person in the room next door can have quiet enjoyment of their accommodation then that is where it
crosses over, not formally, but it does in my opinion. I don't think you can ever divide a pure housing function from a pure social care function.'

(Housing association supported accommodation provider)

Whilst few providers expressed the above position quite so succinctly there was nonetheless a general feeling that housing and support activities were very closely related and were therefore difficult to define separately from each other. It has been shown in Chapter Two that Housing Benefit officers also have difficulties distinguishing between intensive housing management and support activities.

The delivery of the services

The majority of the services in most of the supported accommodation was provided by the landlord or staff employed by the landlord. Most staff were not specialist social workers or carers but rather housing managers or community project workers with a range of skills in providing housing management or welfare advice and support.

In many of the hostels, sheltered schemes, supported lodgings and group homes, staff were on-site or on-call cover was provided 24 hours a day. There seemed to be a preference by a number of organisations to only provide on-site day cover in order to give residents responsibility and more control of the accommodation. In the case of supported tenancies, the support was being provided by a worker visiting the client at their home from a separate office base on one or a few occasions each week. The amount of time spent on providing services is of relevance due to the Housing Benefit regulations on the provision of general counselling and support (see Chapter One).

In a minority of cases, the services provided by the provider's staff were supplemented by the work of other agencies, for example visiting social workers or health visitors. In addition, many of the voluntary-sector providers used volunteers to deliver some of the services. Most providers felt that volunteers had an important role to offer in delivering some types of services for example recreational activities, although one provider felt very strongly that volunteers should not be used as they could not be relied on to deliver high quality services.

In some of the local authority housing department accommodation virtually all the support given to residents was provided by other departments or agencies. For example, a young person's supported tenancy scheme involved a housing association providing the flats and a voluntary body providing the support to tenants. In addition, in one authority, the housing department sheltered accommodation wardens had for the last few years been provided by, and apparently funded by, the social services department.
Supported accommodation charges

This section examines the overall charges made to the resident for the different forms of supported accommodation included in the study. It should be noted that the charges are presented using the terminology of the providers. The table of examples illustrate how the terms 'charge' and 'rent' were often used interchangeably by providers. In some cases, 'rent' was used to describe a basic charge for the accommodation, although in most cases the rent was seen as including both an amount for the accommodation and other services being provided. The term 'service charges' was also described differently by providers, sometimes accounting for the part of the charge not covered by Housing Benefit, while at other times including all the services or some of the services being provided, irrespective of whether Housing Benefit was meeting the charges.

In the local authority sector, charges varied greatly depending on the type of accommodation being provided. Local authority housing department hostel rents tended to accrue the highest charges. For example, charges in one authority ranged from £88 to £197 for hostel accommodation. Charges varied according to room size. An average 'gross rent' (inclusive of all charges for occupation and services) was about £141.7 as shown in Example 1 in Table 4.2. This rent included £3.50 for water rates and £3.50 for heating and lighting. These charges, referred to as the 'service charge' remained the same amount for all hostels in this local authority, irrespective of size of room. Other services were provided by this authority, for example twenty-four-hour staff cover, but the costs of such services were not itemised in the rent. A hostel in a different authority had a full charge of £195.74, apparently for two people. This charge was split down into a basic occupation charge (£167.59), a furniture charge (£15.50) and amenities (£12.55 for heating/lighting and water), with Housing Benefit covering the occupation and furniture charge. Both authorities explained that the charges were at this level because of the high management and maintenance costs of the buildings.

Other local authority housing department charges were much lower. For example, leased properties were charged at £62 to homeless families. Sheltered accommodation had total charges of less than £50 (Example 2), including the main service charge of the warden. The rent for the bail hostel (Example 3) was £51.87, which consisted of £36.87 covered by Housing Benefit and a £15 resident charge which was met by the bailee from their own income.
### Table 4.2 Examples of supported accommodation charges (as presented by the provider)

<table>
<thead>
<tr>
<th>Example 1</th>
<th>Example 2</th>
<th>Example 3</th>
<th>Example 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross rent</td>
<td>Rent</td>
<td>Resident charge</td>
<td>Ineligible charges</td>
</tr>
<tr>
<td>141.17</td>
<td>28.05</td>
<td>15.00</td>
<td>Meals</td>
</tr>
<tr>
<td>Water rates</td>
<td>Heating</td>
<td>Housing Benefit</td>
<td>Heating/lighting</td>
</tr>
<tr>
<td>3.50</td>
<td>3.41</td>
<td>36.87</td>
<td>4.43</td>
</tr>
<tr>
<td>Heating/lighting</td>
<td>Heating management</td>
<td>Misc (e.g. TV)</td>
<td>Water rates</td>
</tr>
<tr>
<td>3.50</td>
<td>25</td>
<td>1.75</td>
<td>1.00</td>
</tr>
</tbody>
</table>

### Example 5

Ha sheltered scheme (1995)

<table>
<thead>
<tr>
<th>Net rent</th>
<th>Total rent</th>
<th>Total charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.56</td>
<td>46.07</td>
<td>51.87</td>
</tr>
</tbody>
</table>

### Example 6

Voluntary-sector supported group home (1995)

<table>
<thead>
<tr>
<th>Net rent</th>
<th>Total rent</th>
<th>Total charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.89</td>
<td>14.36</td>
<td>17.83</td>
</tr>
</tbody>
</table>

### Example 7

Private supported lodgings (1995)

<table>
<thead>
<tr>
<th>Net rent</th>
<th>Total rent</th>
<th>Total charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>49.76</td>
<td>70.00</td>
<td>196.00</td>
</tr>
</tbody>
</table>
The Social Services Department adult placement scheme had produced a detailed breakdown of the total charge made to the residents (Example 4). The charge set in 1990 consisted of eligible charges for Housing Benefit of £14650 and ineligible charges to be met by the resident of £3033. The high eligible rent was largely due to counselling and support charges related to the provision of adequate accommodation (including supervision related to the maintaining of good relations with both neighbours and other members of the household). The relatively high charge which needed to be met by the resident was covered by the person's disposable income which, due to disability benefits and enhanced Income Support, averaged around £100 a week.

The housing association sheltered scheme charges were very comparable to that of the local authority scheme. The net rent for a 'secure' tenancy for a double flat was £28.02 with the service charge being £13.72 (for warden costs) and the fuel charge £5.31, making a total of £47.05. An 'assured' rent (deregulated rent introduced in the 1988 Housing Act) accrued a slightly higher rent but a lower service charge (Example 5). The respondent did however state that newer schemes carried higher charges up to £70 due to the necessity of paying back loan finance. It should be noted that in both local authority and housing association sheltered schemes, the warden/alarms services were eligible for Housing Benefit and defined as the 'service charge'. Some providers, in contrast, thought of a 'service charge' as covering those elements in the rent which were ineligible for Housing Benefit.

The alcohol and drug recovery project being run by the housing association was charging between £80 and £112 for supported group homes. Housing Benefit covered most of this charge with the highest resident contribution amounting to £17.50 for meals, heating, lighting, water rates, laundry and other ineligible charges. The charge to Housing Benefit was not broken down any further, although as already stated it was thought to include £17 for counselling and support related to people's present drug and alcohol problems. The local authority in this case had decided that the counselling and support was eligible. Chapters Two and Three have shown that other authorities would take a different view.

The voluntary-sector providers' overall charges for their supported accommodation ranged from £70 to £125. The majority of the charge was covered by Housing Benefit, with the highest contribution being £109 for a large supported flat. The resident contribution to the charge varied from £1 to £25. Most providers, mainly depending on the number of ineligible services being provided, quoted their overall charge for the accommodation and how this was broken down into Housing Benefit and residents' personal contributions. However, interestingly one organisation did not conceptualise the charge in this way, only quoting figures for the
Housing Benefit eligibles andineligibles, without presenting an overall charge

Most voluntary-sector providers were able to give a breakdown of ineligible services (both items and cost) which were paid for by the resident. These tended to include a combination of meals, heating, lighting, cooking, water rates and miscellaneous extras. In all but one case, the resident contribution only contained specific items which were known to be ineligible for Housing Benefit. However, one provider had set what was considered to be the highest affordable amount for the residents (£25) to literally ‘top up’ the eligible rent. This approach had been adopted as the scheme was running entirely on Housing Benefit and respondent contributions and the income from the residents was crucial to the continuation of the project.

In contrast to the detail provided on ineligible services being paid for by the respondent, very few providers were able to give a detailed breakdown of what Housing Benefit was covering. Often people were able to reel off what they thought it might cover, but without any figures.

‘It covers the support service, it covers the heating and lighting of all the communal areas, it covers laundry facilities, water rates, but I haven’t got actual breakdown amounts for all those’

(Voluntary-sector provider)

One respondent was honest in talking about what she described as the service charge covered by Housing Benefit.

‘There is a service charge, but I don’t know it and I’ve never known it’

(Voluntary-sector provider)

In some cases it was likely that a breakdown for the charges had been calculated by another member of the organisation but these details had not been explained to the staff who took part in the study.

Nonetheless one project was able to produce a very detailed breakdown of the full costs of living in the supported accommodation, shown in Example 6 above. Most of the service charge was eligible for Housing Benefit, with the exception of fuel for individual rooms and miscellaneous services. The same organisation was also providing single tenancies which were £70 with the basic accommodation charge at £39 but the breakdown consisted of a higher furniture charge (£16), counselling and support component (£1150) and lower general management costs (£350).

The charges for the private-sector accommodation varied between £95 and £196. Within this, Housing Benefit still paid the largest part of the cost, between £61 and £112, but the private-sector providers were all
requiring residents/lodgers to pay a significant contribution to the charge, from £24 to £97

One of the providers, a bed and breakfast landlord, was charging a £95 rent as a normal commercial charge to cover accommodation and the ineligible costs such as meals and heating. The landlord stated, 'I don't get a higher rent for giving any additional support', and did not appear to be receiving any payment either from Housing Benefit or the resident for the support he was providing.

However, the three supported lodgings providers were receiving an amount for support and care usually from Housing Benefit and the resident. One of the providers produced a very detailed breakdown of the cost of the accommodation (Example 7 above). This showed that as well as Housing Benefit paying £25 towards general support, the resident was also needing to pay £67 out of his own income for care as part of total ineligible charges of £97 (much higher than in the Social Services Department scheme above). This large amount was met through the person's state and occupational pension and Attendance Allowance. Another provider had produced a charge including £112 in Housing Benefit and £24 in ineligible, but also stated that above and beyond this, an additional amount was taken for care in agreement with the resident, out of their personal income.

Although three private providers had recently been registered as small residential homes, only two of these appeared to be receiving payments via their tenants' transitional Housing Benefit protection while one had recently moved over to the residential homes funding arrangements. The standard rate for a registered home in 1995 was £237, being met by the resident's Income Support payments, a housing allowance (£51), and a 'top up by social services funding. The resident was allowed to keep £13.30 of their Income Support, and some benefits like Mobility Allowance.

**Paying the charge**

This short section describes both the method used to pay charges, as well as any problems encountered with paying both the eligible and ineligible amounts of the charge.

In all types of supported accommodation in the different sectors, Housing Benefit was paid directly to the landlord. The only exception to this was one private supported lodgings provider who felt that it was not right for Housing Benefit to be paid direct. In the case of local authority accommodation, the rent rebate was paid directly into the housing revenue account, as one respondent explained, 'in effect it is a nil rent, it's a paper transaction'.
Landlords were able to collect most of the income due to them from the Housing Benefit as direct, guaranteed payments. However, some problems were experienced in the process of getting people onto Housing Benefit when they moved into the hostel. This was particularly so in short-stay hostels where it was possible that Housing Benefit may not be paid if forms were not filled in for people stopping for short periods. In general, however, the providers reported that a good relationship with the Housing Benefit office had been established, which helped to minimise income loss in this area.

Claimants were responsible for paying the parts of the charge not met by Housing Benefit from their personal income. Some providers reported that it was sometimes difficult to secure these payments from people. Sometimes people were reluctant to pay, particularly if they had no choice in moving into the accommodation, for example in the case of a bail hostel. However, it was also reported that some client groups struggled to meet the costs of the ineligible parts of the charge, particularly young people who were on a lower level of Income Support than other claimants and not receiving any additional benefits. Some people also had court fines or Social Fund loans to pay back which further reduced their available income.

"basically they cannot manage, it causes a lot of distress for young single women"  
(Voluntary-sector provider)

Rent setting process

This section outlines the process through which the providers in the study set their accommodation rents and charges. An understanding of this rent setting process is important when considering the appropriateness of the charges and the role of Housing Benefit within these charges.

The local authority housing department had the benefit of rent-pooling for some of its supported accommodation. This meant it could keep the rents reasonably low in newer schemes by cross-subsidising from older schemes where the cost of the building of the accommodation had in the main been covered. This was possible for accommodation which was funded from the Housing Revenue Account, for example sheltered housing, as this account included most of the council stock of ordinary housing. The rents for much of the housing department accommodation were also based on historic costs. There was also a general policy, common to all categories of provider, of charging rents according to the size of the property. Overall, housing departments were looking to break even from their rent setting.

In two cases of statutory provision, rents were actually set by government departments. In the first, the Welsh Office had set rents to be charged for leased properties being used by homeless people. The Welsh Office
covered the amount paid by the local authority to the private landlords (a higher figure than the rent), and Housing Benefit then covered the local authority management costs for running the scheme. In the second case of a bail hostel, a national charge level was set by the Home Office. However, the hostel managers had the remit to decide how this charge broke down into eligible rent and ineligible items to be met by the bailee. This was set in consultation with the Housing Benefit office.

Most local authority providers were concerned to set rents and charges which would be affordable to residents, the majority of whom were in receipt of Housing Benefit. In one of the housing departments, service charge levels in all the hostels had been set at a low level, irrespective of accommodation size, as the provider had felt that previous charges, related more to actual costs, had been unaffordable to people. The managers in the bail hostels were also concerned with issues of affordability.

"Our effort is to allow individuals to retain as much of their personal gain as possible, that is the basis on which we work, but obviously we do have to deal within reasonable bounds in terms that the HB manager has to accept those figures."

(Local authority provider)

Finally, the Social Services Department supported lodgings scheme had been set up on principles which placed affordability and user-control over their personal finances at the centre of the scheme. This scheme, for people with learning difficulties, had been set up within the structures of Housing Benefit in order to allow the resident to retain as much of their disposable income as possible, in contrast to the standard £13.30 personal allowance given to people living in residential care under present community care arrangements. The social services organiser explained that the adult placement scheme was able to operate the principle of normalisation due to its funding structure, that is giving people with disabilities the opportunity to live as normal a life as possible with access to their full benefit entitlements to use as disposable income.

The housing association sheltered accommodation provider was the only other provider who explicitly stated that the rents were based on a pooling system, on a regional basis. The service charge element of the schemes, however, was based on actual costs of providing the services and varied from year to year, sometimes going down as well as up, according to the previous year's costs.

Much of the voluntary sector (and the housing association providing supported group homes) adopted similar approaches in arriving at a rent level. Some explained how their charges had previously been set at the Department of Social Security board, and lodging allowance level (until 1989 when it was abolished) and how the rent structures were a legacy of.
decisions made at the point of moving over to the then new dual Housing Benefit/Income Support system. Many providers stated that they liaised with Housing Benefit offices before setting charges, and some also mentioned that they looked at similar schemes in the voluntary sector to get an idea of reasonable levels of charges. In two cases the housing association which owned the property being managed by the voluntary agency had a large input into rent setting. In addition, some providers had tried to base charges on the actual scheme costs, particularly with regard to service charges.

In practice, rent setting in the voluntary sector was often based on a combination of liaison with Housing Benefit offices, examination of actual costs, and other factors. Overall, providers were looking to break even on their costs, rather than generate a surplus. However, as will be seen below, rents were only one of their income elements and therefore in setting the rents they were influenced by other factors, including the expert advice of the Housing Benefit office and a concern to arrive at an affordable charge for residents. One voluntary-sector organisation actually had a policy of charging £35 a week for any property (instead of £60–£70) when someone gained work, writing off the rest of the rent.

In the case of three private providers, the local social services department had advised them on setting the rent level. Two providers thought the social services department had discussed and actually set the charge in discussion with the Housing Benefit office a few years ago when the placements had been part of an organised scheme. It appeared that the charge made by the provider was partly based on the availability of other benefits, particularly Attendance Allowance which could be used to pay some of the ineligible service charges. Overall, the private providers appeared to be less concerned with issues of affordability for the resident than the statutory and voluntary providers, although one provider was evidently unwilling to use the income from people’s benefits in order to set a higher charge.

*Epileptics get things like disabled allowance and Attendance Allowance which I don’t take.*

(Private-sector provider)

The private providers of supported lodgings did not, however, set their rent levels in order to make a profit from the provision of supported accommodation. Indeed they considered that there was a likelihood that the amount of support and care given to their lodger was fully covered by Housing Benefit and other payments.

‘Profit making — definitely no. Even if it covered more than the costs, which I am sure it doesn’t, the amount of time we give to T far outweighs any element of profit.’

(Private provider, supported lodgings)
One private provider was upfront in saying that he had set the highest charge he thought would be accepted by Housing Benefit to cover the high care costs he incurred. As he knew that only a small element would be accepted for counselling and support, he tried to recoup some of his costs through charging the highest basic rent.

\[\text{we could only claim what was essential to help people stay in their home, so we couldn't say well actually it is 24-hour supervision because they couldn't live on their own, well obviously Housing Benefit wouldn't wear that, so I didn't try putting that down, so we only put down what we thought we could get meant if we were not getting anything for the care, apart from the £15 - not getting very much - I just got as much rent as I could}\]

(Private provider, supported lodgings)

Only in the case of the private bed and breakfast provider was the accommodation being run as a commercial venture, but even here the landlady appeared to be lowly motivated by a return for her money.

\[\text{I didn't decide what parts of the rent pay for what, I just charge so much a night and I thought that would give me a living. I don't really care about a return for my investment as long as the bills are paid}\]

(Private provider, bed and breakfast)

Finally, most providers tended to put up their rents annually. Some appeared to increase the rents by the same percentage each year while others decided on the increase after examining the overall costs of the accommodation. Often rents were simply increased by what providers thought costs had gone up by, particularly in the case of private providers where increases were usually based on guesswork.

It may be concluded that while the decision-making process often differed by category of provider due to the different structures in which they were operating, there were a number of factors which were common to most providers, for example a need to cover costs, liaison with other organisations, particularly the Housing Benefit office, and ensuring that charges were affordable to residents.

**Income sources**

The four categories of provider tended to be working within different financial structures. As a consequence, charges for the accommodation (both those paid for by Housing Benefit and those paid out of the claimants' own income) tended to account for varying amounts of providers' income. A brief examination of the providers' income is given below to provide an overview of the relative importance of the contribution from Housing Benefit in the provision of supported accommodation.

In the case of the local authority housing departments, rents and charges were the main source of income. The housing department was providing supported accommodation either out of the Housing Revenue Account.
(HRA) or the General Fund. The HRA is heavily dependent on rental income as it is 'ring-fenced' (that is local authorities have to balance the Account without any transfers from the General Fund) although there is some funding available through a HRA deficit subsidy provided by central government. The provision of supported housing through the General Fund also relies on rental income covering most of the costs of the accommodation.

The Probation Service bail hostel was also relying on rental income as a main source of income (£51 a week) however the Probation Committee also paid £9.79 a day (£68.53 a week) for each balee being placed in the hostel. The social services-supported lodgings scheme received money to cover its administration costs from central government, which was in the process of being replaced by funding from a Community Mental Handicap Team.

Most of the housing association and voluntary-sector providers received income from a number of different sources. In consequence often the role of Housing Benefit and charges as a proportion of total scheme costs was much lower. Two voluntary providers received a half of their income from rental income, whilst some received only about a quarter of their income from Housing Benefit and resident charges.

The other main forms of income received by the housing association and voluntary sector were:

1) Special Needs Management Allowance from the Housing Corporation,

2) statutory grants from central government, the Home Office, local authorities (including education and social service departments), health authorities, and

3) charitable donations.

Seven providers were receiving Special Needs Management Allowance (SNMA), five had negotiated statutory grants, and six were fundraising. SNMA was clearly a crucial funding source for most providers. Some schemes were also in receipt of very significant grants from a number of different funding sources towards the schemes, and in a few cases the income from one grant exceeded the total rental income. Donations tended to amount to a relatively small proportion of total income, although a few providers stressed that it was essential that fundraising was undertaken.

For the private providers the charge to the resident was the only source of income for providing the supported accommodation/lodgings. As described in the section on charges, the private providers were requiring the resident/lodger to pay a significant contribution out of their personal
Income towards the charge, which in one case meant that Housing Benefit was only paying half of the charge. Nonetheless, the total charge accounted for the full income of the landlord. Once again it should be noted that one of the private providers had recently changed to being funded under the Residential Homes provisions, and therefore Housing Benefit was no longer contributing towards the costs of the accommodation or support.

Value for money

Value for money is a notoriously difficult concept to define. Here it was simply defined as whether people were satisfied with the accommodation provided for the amount of money being paid for it. Providers were asked to comment on to what extent they perceived the accommodation to be value for money to the taxpayer and to the tenant. The consideration of value for money can provide an important measure in the evaluation of the provision of supported accommodation.

A number of providers stated that, in their view, the supported accommodation represented good value for money compared to other types of accommodation available for the same client group. Local authority housing departments asserted how they thought other forms of temporary accommodation which they could provide, like bed and breakfast accommodation rather than hostel provision, would be much more expensive to the taxpayer, and suggested that:

"If you consider value for money in the sense of keeping our costs down then yes it probably is"  
(Local authority housing department)

Similarly, the social services department running the adult placement scheme argued that the scheme represented tremendous value for money at £180 (1994 charge) compared to £300-£400 for residential care.

While providers were confident that they were providing a value for money service from their perspective, they were much less sure as to how their residents perceived value for money. Many providers, particularly in the private sector, had no formal way of evaluating how the residents valued the service, and therefore were not able to provide reliable information on residents’ viewpoints. The procedures which were in place to gain users’ views like resident/staff meetings and complaints procedures, were designed to gain feedback on all aspects of the service, rather than specifically value-for-money issues. Overall providers were largely presuming that people were satisfied on the basis that they did not appear unhappy or complain about the accommodation.

"I would like to think that they are satisfied with the service they get. We have a complaints channel for users and we have never had any complaints as yet. So we assume they are happy with it.”  
(Local authority housing department)
Nonetheless, the providers did feel that they had an insight into how residents viewed value-for-money issues both in respect of the Housing Benefit payments for rent and the contribution they made from their personal income towards the accommodation charges.

Most providers felt that people did not think about the value they were receiving for the services paid for out of Housing Benefit. One of the reasons for this was that they were not constantly aware of the Housing Benefit contributions when Housing Benefit was paid directly to the landlord.

"I don't think the tenants actually think about the rent in relation to value for money. That's a difficulty with HB, it's something they don't see and the accommodation is just paid for. I don't think they take it on board. A lot of people we work with have no experience in having to pay for the rent - the accommodation is just something that happens."

(Voluntary-sector provider)

Some providers did however comment that tenants were very aware of the personal contribution they made to the accommodation charge to cover the ineligible Housing Benefit service charges, and whether this represented value for money. Indeed a couple of respondents commented that this is what residents considered to be the 'rent'. The next chapter confirms this view. One provider in particular stated that residents had been unhappy when their personal contribution was raised from £15 to £25.

Adequacy of funding

Overall questions of the adequacy and appropriateness of supported accommodation funding arrangements, and the role of Housing Benefit within this, were discussed by providers.

Although some providers were generally happy with the way they were being funded, others, in some cases providing similar accommodation, were concerned about the overall funding arrangements for their supported accommodation. For example, one local authority was pleased with the way their temporary accommodation section (which arranged and administered hostel and other temporary accommodation for homeless people) had been able to provide good hostel accommodation, however another local authority provider took a broader view and commented:

"We are limited as to the quality and quantity of service that we can provide because we are constrained for funding as a housing officer I honestly can't say that funding is adequate when I don't believe it is."

(Local authority housing department)

The housing association was finding that the increasing use of private finance in the funding of housing association accommodation was proving problematic as the repayments on loan finance was forcing the rents up
The voluntary agencies and housing association providing supported accommodation were particularly dismayed at the constant negotiations which were necessary to secure funds from a number of different budgets each year. One voluntary hostel was understaffed because they had been unable to take on new staff as planned when a promise of a grant had not materialised, resulting in considerable stress for existing staff members. Another provider commented how much easier it would be if the different funders communicated with each other to avoid shortfalls in funding, as well as giving funders a better overview of the purpose of the scheme.

The private provider who had moved over to Residential Homes funding from Housing Benefit felt that the new arrangements were more appropriate to the type of support being provided.

‘Housing Benefit departments are not set up to deal with carers. I’m happy to be away from them very happy, because they are dealing with multitudes of people who are basically on a simple rent and if they are not happy with the rent they sent the Rent Officer around, they can’t deal with complex situations, we should never have been put on HB in the first place, it’s absurd. And they are concerned with fraud, whereas if you’re with social services there is an element of trust and they are concerned about quality, about what we do, and the money is not an issue, we’re even much better on social services, there are no queries, it’s great.’

(Private provider, supported lodgings)

However, the local authority organiser of a supported lodgings scheme was concerned that community care funding of this nature actually led to a ‘pauperisation of residents’, by reducing their personal income, when in fact supported accommodation should be concentrating on helping people to become as independent as possible.

A couple of voluntary agencies considered that social services should fund a greater proportion of their work, and one of them catering for young vulnerable women also questioned whether most of the funding should come from a social services source rather than a housing source, particularly considering ‘social services’ responsibilities under the Children Act.

‘I think certainly that the amount of money we get from social services is not very much at all considering we take such a high amount of referrals from social services, it’s quite appalling really considering we probably do a lot of their work for them, that they should be doing, and we’re a voluntary organisation.’

(Voluntary-sector provider)

However, overall, most providers appeared satisfied with the present role of Housing Benefit in contributing towards some support costs in the accommodation. In addition, virtually all respondents were reasonably
happy with the levels of the Housing Benefit contributions they were receiving. Only a couple of providers, one in the voluntary sector, the other a private provider, would have liked to see payments at higher levels.

Most providers reported that they had a very good working relationship with the local Housing Benefit office and that staff were approachable and helpful wherever possible. Providers did, however, consider there were a number of issues related to Housing Benefit administration which needed to be addressed. Despite good relationships with Housing Benefit offices and a lot of effort being put into a close liaison, providers of short-stay hostels still found it difficult to ensure that Housing Benefit was being paid for people who only stayed at the hostel for a week or so. One provider felt that the processing of Housing Benefit was still too slow. Another provider commented on the wider role of Housing Benefit and its interaction with other benefits like Family Credit which meant that some people did not end up in an advantageous financial position due to the reduction in benefit awards on taking up employment.

"If there wasn't so much conflict between the benefits it might be better it's a rotten system that makes people deliberately stay out of work because they can't afford to be in work."

(Local authority housing department)

A number of respondents were very concerned about the proposed changes to Housing Benefit which at the time of the fieldwork were due to be implemented in October 1995 (now January 1996). These findings confirm those of Griffiths (1995) in his study of Housing Benefits role in community care. Respondents were worried that a revised system would not take account of the special requirements of supported accommodation, and were concerned at how any reduction in rental income would be met, particularly the possibility of the resident having to meet the cost. One provider commented:

"If they do put a ceiling based on what the average level of rent is in an area - the average level of rent is £40, it doesn't take into account the fact that I have to provide special-needs housing management because I have people with special needs. I have higher renewals and I am not sure that central government is sussed out in its thinking to recognise that really."

(Voluntary-sector provider)

Another provider commented on how disastrous it would be if the intensive housing management tasks associated with supported accommodation fell in the middle of the definitions of housing and care, and consequently went unfunded.

"What I hope will happen is that there will be some co-ordination between government agencies, so if it is decided that what we do is worthwhile but it is not a housing management function but a social care function, that the money
will be transferred over, but it won’t ever happen like that because the
government doesn’t co-operate with each other.’

(Housing association provider)

Providers were generally concerned about the future of all funding sources
for supported accommodation. Many of the voluntary providers in receipt
of Special Needs Management Allowance were unsure of whether this
funding source would survive into the future. A few providers felt
financially secure for the future, but many more worried about losing one
or more of their funding sources which would either result in a significant
reduction in the quality of service or the loss of projects completely.

Conclusion

The providers in the study were delivering a variety of types of supported
accommodation to a range of client groups. However, they all had in
common the aim of providing appropriate accommodation with support
to vulnerable people unable to adequately cope with living in unsupported
independent housing.

The services being provided largely differed depending on the type of
supported accommodation. Many of the providers were providing basic
services such as meals, laundry facilities and cleaning services. In addition,
the providers offered differing forms of support to their residents. In most
cases, the provision of this support was labour intensive, often with 24-
hour staff cover or day cover, with an emergency call-out service at night.
The level of the support varied from low-level supervision to quite
intensive emotional support, and sometimes involved some care tasks in
the supported lodgings accommodation.

Much of the support being provided was funded from sources other than
Housing Benefit. In some cases, Housing Benefit was solely covering a
basic accommodation charge and eligible services other than support such
as cleaning of communal areas. In many cases, Housing Benefit was also
paying a relatively contained contribution to support costs, either warden
services or other general counselling and support. However, voluntary
providers in particular were mainly meeting their support costs through a
variety of other funds including Housing Corporation SNMA, statutory
grants, and donations. In the few private lodgings cases, support costs were
being paid for to a significant extent by the clients from their disposable
income. Finally, in a few cases, usually local authority hostel
accommodation, Housing Benefit was playing a substantial contribution to
support costs, in the form of management and staffing costs.

All the providers were essentially non-profit-making organisations or
individuals. Even the one private bed and breakfast establishment appeared
to be doing little more than trying to cover costs. Their rents were usually
set after a number of factors had been considered including whether the
resident would be able to afford the charges; an appraisal of actual costs.
and an overall appraisal of what would be an acceptable charge for the type of accommodation. Commonly, providers received advice and information from the local Housing Benefit office and sometimes other organisations and similar providers in the area. In other words, a key determinant of rent-setting policies was the fact that the majority of tenants were on very low incomes and therefore eligible for Housing Benefit. Rent setting was carried out in terms of what landlords thought Housing Benefit would 'bear'.

Most providers, in all categories of accommodation, were generally satisfied with the present role of Housing Benefit in funding supported accommodation although many had concerns about the future direction of funding for supported accommodation in general, as well as specific worries about the January 1996 Housing Benefit changes.
5 HOUSING BENEFIT AND SUPPORTED ACCOMMODATION: 
THE CLAIMANT'S PERSPECTIVE

Introduction
This chapter reports the findings from face-to-face interviews with 29 Housing Benefit recipients living in different forms of supported accommodation:

- 9 were living in hostels
- 7 were living in shared housing
- 4 were living in supported lodgings
- 4 were living in sheltered accommodation
- 4 were living in short-life housing for homeless people
- 1, living in self-contained housing, was in receipt of 'floating support'

Nineteen of the respondents were tenants of the landlords described in the previous chapter.

The chapter starts by briefly describing the recipients who were interviewed, it moves on to report what services they believed were being provided. It then looks at the perceived costs of living in the scheme and concludes with a discussion of value for money.

Who were the claimants?
The description begins with the hostel dwellers. For the purposes of this study a hostel is defined as provision staffed on a 24-hour basis. Four were young people, of whom two were 16 years old. They had variously suffered abuse, left care, slept rough or on the floors of friends rooms:

'I didn’t get on with my parents. I had to leave home but I didn’t want to be completely on my own. I found even this (the hostel) frightening to begin with.’

(Housing Benefit claimant, voluntary-sector project)

They all aspired, in the longer term, to live in self-contained permanent accommodation.

The other hostel dwellers were older, vulnerable adults. One was a mother who had fled domestic violence with her three children to a local authority hostel. Another was a middle-aged man who had entered a YMCA hostel following a short period in prison, he had gone through a divorce, been homeless and had a history of mental health problems. He perceived the hostel as 'his home and the staff his family’ Another middle-aged and homeless man was in a voluntary-sector dry house where he had spent the last five months combating his addiction to alcohol. At the time of the interview he was waiting to move to permanent self-contained housing where for the first year he would be supported by a resettlement agency.

______
The last two hostel claimants were living in a bail hostel. One had lived there for almost a year, some of this time he had spent in employment. The other, who was unemployed, had lived in the hostel for only a few months. Both felt they had major problems to address before they could consider living in long-term accommodation, but perceived their need for supported accommodation as being temporary.

### The shared housing residents

The shared housing had off-site support staff. Typically houses were small three or four residents sharing a kitchen, lounge and other facilities. Two respondents in shared housing were under the age of 21 years. They were supported by the same organisation but were in different houses. One was a young woman with a baby, she was referred by social services and had come from a mother and baby hostel. The second young person was, she said, in her shared house because 'I was thrown out of a hostel, I broke the rules.'

A further two respondents, under the age of 25 years, had also moved directly from hostels managed by the same organisation that ran their shared housing. One had slept rough in 'cardboard city in London' which he believed was the cause of his poor health - frequent epileptic fits and chest infections. He felt he needed to remain in supported housing where someone would keep an eye on him in case he became ill. The other, aged 18 years, had a recent history of semi-homelessness and offending behaviour. She was at the time of the interview, under a court curfew. Three other respondents in shared housing had specific mental health problems - one had been a heroin addict for many years another was addicted to alcohol, and the third had slept rough and in the past had taken drugs. The former two were on Narcotics Anonymous and Alcoholics Anonymous programmes, they hoped eventually to be able to live independently and unsupported.

### Supported lodgings/adult placement clients

Four claimants had been 'placed' by social services departments in a host's or carers' family, two had moderate learning disabilities and two were elderly. The two with learning disabilities had both attempted unsuccessfully in the past to live in shared housing, one of the two had ambitions to live independently in a council flat with her boyfriend. One of the two older people had been moved from residential care, a move which was considered inappropriate as he was relatively frail. The other was much more independent but had lived much of his life in a semi-institutional setting. The two older people had been part of an adult placement scheme for elderly people which had been funded through Housing Benefit. It was no longer operating as such but was being registered under the Residential Homes Act. The two older people, however, were continuing to receive Housing Benefit.

### Sheltered housing residents

Two of the sheltered housing claimants were living in a local authority scheme and two in a housing association scheme. They had moved to
sheltered housing because they wanted smaller, more manageable property and someone to keep an eye on them. They all wanted to continue to live independently. Safety and security were high on their list of priorities.

"Can't get about like I used to. We're plenty of life in here really taken as a whole you're safe in here."

(Housing Benefit claimant, sheltered housing)

**Short-life housing for homeless people**

Four claimants were living in local authority 'short-life' housing with their families, waiting to be permanently rehoused. They had been accepted as statutorily homeless under the 1985 Housing Act by their respective councils. Their length of stay varied, one, with nine children, had been waiting for rehousing for 16 months; the others had been living in the short-life housing for shorter periods but did not know how much longer they would be there. Typically, they would be given one offer if they refused this, an eviction order would be served.

**Floating support**

One claimant was living independently in a self-contained housing association flat. He was receiving 'floating support' from a resettlement agency. Floating support is a relatively new concept in supported housing. SITRA (Specialist Information Training Resource Agency) defines it as:

> any scheme in which support is provided to individuals according to their need for intensive housing support rather than as a result of residing in a particular unit of housing.

(SITRA, 1994)

Traditionally people with special needs were housed in schemes. Now there are a number of initiatives whereby people with care needs live in ordinary housing but receive 'floating support' from a housing officer. It is so called because it floats off when it is no longer needed.

The respondent's tenancy was held with the resettlement agency. "If this trial works and I can manage on my own the flat will become mine permanently."

(Housing Benefit recipient, floating support)

**Services provided**

The study wanted to find out what services claimants were receiving. The following is an account of their perceptions of what they thought was being provided.

**Hostel residents**

The hostel dwellers reported that they received a variety of services. Six of the respondents said that common areas were cleaned but that it wasn't always done well or regularly, particularly in the case of window cleaning. Two respondents said their own rooms were cleaned but one of these preferred to clean his own room. In one or two of the hostels cleaning of the whole hostel was carried out by the residents.
'We are completely self-sufficient, no window cleaning or gardening, we do all of that. We have a rota for cleaning the different areas. It’s called a therapeutic day.'

(Housing Benefit claimant, hostel)

Bed linen was almost always washed by hostel staff and in one hostel it was possible to pay staff £1 a week for them to do personal washing. Use of washing machines was sometimes free, sometimes not. Not all the hostels provided full or partboard, one hostel was not fully staffed at weekends so residents were given money to buy food to cook themselves. ‘Food management’ was, two respondents commented, part of a regime designed to teach them independent living skills. In one hostel food could be bought at a canteen but the respondent who lived there found it preferable and cheaper to find her own food. Some respondents mentioned that their accommodation was very safe due to efficient door-entry systems and other equipment.

People were generally rather unclear about the role of hostel staff. They saw staff as carrying out housekeeping-type duties, such as cleaning, washing, cooking, generally looking after the place and ‘keeping order’. But they also saw them as having a welfare and social role, organising outings, for example. Respondents rarely talked about support unless prompted. The following is typical of such a response:

‘Yes, if you need help you just go to the office and they help you as much as they can, talk to you a lot and things like that. Helpful – talk about anything. If you’re depressed they will come and sit with you and ask what is wrong and if you want to talk about it and stuff like that, very good.’

(Housing Benefit claimant, local authority hostel)

Respondents said they were given help with form filling, getting benefits, help with budgeting and arranging contacts with outside bodies. Some staff supervised medication. Some respondents made a distinction between hostel staff and key workers who came in on a regular basis; they talked about being ‘key worker’. Respondents said that key workers carried out a variety of tasks including counselling (this term was used by only one respondent) and helping with the resettlement process, as well as the more practical type of help detailed above. At two of the hostels there were planned weekly programmes to help residents who had addiction-related problems achieve independent living. At the bail hostel specialist work preparing residents for court was carried out. Five of the respondents talked about having regular timetabled sessions of no more than two hours a week with staff, in addition to this they were encouraged to ‘drop in on staff whenever they wanted. The remaining four also said they were encouraged to go and see staff when they wanted to.

The research wanted to find out the amount of time housing workers spent providing different services, in order to try and obtain the claimants'
perception of the '50 per cent rule. Chapter One showed that under this rule personal counselling and support costs can be met by Housing Benefit. The hostel claimants however, found it impossible to break down a staff member's day and tell the researchers the proportion of time that was spent on different activities.

The researchers asked respondents to separate out services provided by the landlord from services provided by others. However, claimants were generally unclear about who was who. Three respondents appeared to be getting social work support and one had regular visits from a community psychiatric nurse. Three of the hostels had volunteer staff.

When asked about services none of the respondents spontaneously mentioned utilities such as heating, lighting and electricity. In all cases basic services such as these were included in the total charge.

*Shared housing residents*

The services provided to shared housing residents were fairly similar in each of the houses. In four cases the scheme charge included a contribution for food, which was prepared by the residents themselves either individually or communally. The utilities were usually included in the charge although there were two exceptions. In around half of the cases the residents cleaned both their own rooms and the communal areas, in the other group, a cleaner came and dealt with the communal areas. A washing machine was invariably provided and was usually, but not always, coin-operated. One person spontaneously mentioned that she was provided with furnished accommodation. None of the other respondents in any of the different groups mentioned furniture when asked about services. Two respondents with the same landlord appeared to have no 'ineligible' element to their rent. Apparently they had previously paid heating charges to their landlord but he had had great difficulty collecting this money.

All the claimants talked about the support they received from the various projects. The key difference between the hostels and the shared housing was that the latter had no on-site staff. Typically a project worker was available, however, and often there was an office nearby where the residents could always get help. In around half of the cases each claimant had a regular 'key worker' session, typically about two hours a week. In the other cases the support was more reactive, people were encouraged to get help when they needed it. The help provided by project staff was often about finding somewhere else to live. Sometimes it appeared to be more personal and was concerned with the particular problems which residents had. There was a tendency for some of the residents to be a little indifferent to the help that was available, such people saw their agency as an accommodation-finding agency rather than a support agency.
'Wouldn't have the support if it didn't go with the accommodation I was referred to so I could get permanent accommodation.'

(Housing Benefit claimant, voluntary-sector project for homeless women)

In three cases the support was tailored to the particular needs of the resident. It also appeared to be valued.

"They do everything possible to help you with your drug problem, get you back onto life's wheel. I'm very grateful that I have had the opportunity, there's not enough of these places about."

(Housing Benefit claimant, voluntary-sector drug recovery project)

Like the hostel residents, the shared housing residents were unable to say how project staff's days were broken up. It was also difficult to isolate out support from other organisations. Like the hostels, some shared housing schemes had volunteer staff attached to them.

**Supported lodgers** These four claimants received a range of services, their landladies provided them with meals, they cleaned the rooms for them, and they did their washing and ironing. Also, heating and lighting were included in the weekly rent. They were all, to varying degrees, not very articulate about what was being provided. In addition, landladies helped with a series of practical tasks such as form filling, arranging appointments, etc. They also provided a great deal of personal help, for example, listening sympathetically every night to problems one respondent was having with her boyfriend at her day centre. In the case of three of the respondents, landladies supplied an element of personal care, looking after their lodger in times of illness, supervising diets and so on. Two of the respondents were part of disbanded adult placement schemes, and they were no longer getting social work support. The other two received visits from both the scheme staff and a care manager employed by the social services department.

**Sheltered housing tenants** Unlike the majority of the sample, these residents were living in unfurnished, self-contained accommodation and consequently tended not to have ineligible services within their rent. The rent paid by the two local authority tenants included charges for the central heating in their flat but they paid for power out of their disposable income. The four sheltered housing tenants were asked about the services that were provided. The main service that was talked about was the warden service. It was highly valued. Respondents talked about their wardens performing a 'good neighbour' role. One person, a widow of 78 years, appeared to equate good neighbourliness with care. She was not pleased that the warden's hours were being cut.

"She's a brilliant warden, you wouldn't wish for a better girl. I do think if she hadn't been such a brilliant girl and a caring girl I don't think I would have really settled."

(Housing Benefit claimant, sheltered housing)
Two sheltered housing tenants were receiving domiciliary care, which one was paying for, despite being on Income Support, at a rate of £2.00 an hour.

Other services were not spontaneously mentioned. Only one of the residents said, without prompting, that her rent included upkeep of the communal areas and maintenance of the call service. It was apparent from one scheme documentation shown to the researcher that the rent covered laundry facilities, a door-call system, window cleaning, gardening, smoke alarms and self-closing fire doors, but these things were not explicitly mentioned by the residents who were interviewed.

**Short-life housing for homeless people**

These claimants had, typically, been moved from local authority hostel family accommodation. None of them apparently had support needs over and above their need for housing. The accommodation was self-contained and furnished. The only service that respondents seemed to be aware of within their rents was water rates. All four respondents said they received no support or indeed had little contact with their local housing departments. ‘I don’t get any support, never seen anyone from the council.’ However, one of the four seemed aware that her rent included charges for the properties being cleaned when people moved out and for the services of a neighbourhood tenants office serving the whole of an estate.

**Tenant in receipt of floating support**

This respondent was living in self-contained, unfurnished accommodation which, after a year assuming a successful resettlement period, became a council tenancy. He discussed the sort of help he received.

‘They give you a year’s support, they come and visit you if you have any problems like rent, sorting out the electric, all sorts, furniture and stuff like that. They usually come around once a week to see how you’re just coping and filling forms for our Housing Benefit and that. I get on alright with my worker. I actually see her quite often. Usually spend an hour or maybe two hours with her, just talking in general about things. She’s not always helping you know she has the same interests as me, we get on alright, we’re more like friends than anything else.’

(Housing Benefit claimant, floating support)

He paid all his own bills such as food, heating, lighting and water. The respondent was not clear about the floating support element of his rent. Subsequent enquiry by the researchers established that it was an unidentified element of this claimant’s rent, which was completely met by Housing Benefit.

**Perceived costs of living in supported accommodation**

The interviews explored respondents’ perceptions of the cost to them of supported housing. They were asked about (i) the rent (ii) Housing Benefit, (iii) what they had to pay to their various landlords out of their...
own resources (iv) what other costs they had, and (v) finally, they were asked to give some assessment of the value for money of services received.

A key factor which informs this section of the chapter relates to the method of paying Housing Benefit. All but one of the respondents did not themselves receive their Housing Benefit, it was sent from the local authority directly to the landlord. The exception was one of the two older people living in supported lodgings. His landlady, an ex-social worker, believed very strongly in the principles of 'empowerment' and insisted that her tenant was sent his Housing Benefit. Some of the respondents had documentation which showed details of the rent and all of them had been notified of their Housing Benefit entitlement. It is possible that not receiving a sum of money which represents rent may explain why, generally, respondents' knowledge of the financial aspects of living in the scheme was very vague.

All but three of the claimants appeared to be on Income Support and hence were entitled to maximum Housing Benefit. Three who were not entitled were sheltered housing tenants whose small occupational pensions took them just above Income Support entitlement. Disposable incomes amongst the Income Support claimants varied according to the age of the claimant and whether they were receiving Income Support premia and non-means-tested disability benefits. Two respondents with disabilities saw themselves as being better off than fellow tenants who were in receipt of 'only ordinary Income Support'.

It was very difficult to make sense of what claimants said about costs. Potentially there are a number of reasons why a claimant's Housing Benefit may be less than the contractual rent. (These have been listed in the first section of Chapter One.) Deductions for ineligible items is only one.

Respondents had little understanding of Housing Benefit and they were unclear as to how much Housing Benefit they received. They were being asked things they never or rarely thought about. It was not possible therefore, to establish precisely, why a shortfall existed. As far as it was possible to check, no-one's Housing Benefit fell short of the contractual rent because of a rent restriction. Only 14 of the respondents were able to give any accurate response to the question, 'What is your rent here?' Apart from two respondents whose ineligible charges were deducted at source from their Income Support, all were clear what they had to pay to their landlord in ineligible charges. Although this term was never used, claimants had no knowledge of what Housing Benefit covered although two sheltered housing residents commented that they thought that Housing Benefit might cover their wardens' salaries. Equally, claimants did not know what other sources of funding their scheme was attracting or what services they were not charged for.
Some people might have been more knowledgeable about the financial aspects of their accommodation than others because their landlords were more active in seeing that their tenants were well-informed. One housing association sheltered housing resident on partial Housing Benefit had in her possession a rent breakdown which she showed to the researcher. Rent was £47.11 a week, of which 'basic rent' was £27.46 and £19.65 was 'service charge.' Her personal contribution to the rent was £8 a week of which £5 was apparently for ineligible costs. Her landlord held annual meetings with tenants to explain service charge increases and to update them with details of the rent. She was, however, unclear as to what services the £19.65 was covering. In another project, a young single homeless woman supplied her rent breakdown as shown in Table 5.1 below, while a fellow tenant also interviewed did not know what the rent was or what her Housing Benefit was.

Table 5.1 Rent structure, voluntary-sector shared house

<table>
<thead>
<tr>
<th>Eligible rent met by Housing Benefit</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core rent</td>
<td>25.50</td>
</tr>
<tr>
<td>HA management charge</td>
<td>5.33</td>
</tr>
<tr>
<td>Day-to-day maintenance</td>
<td>11.83</td>
</tr>
<tr>
<td>Cyclical maintenance</td>
<td>4.34</td>
</tr>
<tr>
<td>Fire alarm maintenance</td>
<td>4.54</td>
</tr>
<tr>
<td>Central heating maintenance</td>
<td>1.21</td>
</tr>
<tr>
<td>Major repairs/ redecoration fund</td>
<td>4.55</td>
</tr>
<tr>
<td>Building insurance</td>
<td>3.16</td>
</tr>
<tr>
<td>Subtotal</td>
<td>59.59</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service charge</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture</td>
<td>0.99</td>
</tr>
<tr>
<td>Communal cleaning and maintenance</td>
<td>2.69</td>
</tr>
<tr>
<td>Project laundry</td>
<td>1.65</td>
</tr>
<tr>
<td>Garden maintenance and refuse</td>
<td>0.98</td>
</tr>
<tr>
<td>Contents insurance</td>
<td>1.58</td>
</tr>
<tr>
<td>General accommodation charge</td>
<td>3.91</td>
</tr>
<tr>
<td>Communal heat and light</td>
<td>1.60</td>
</tr>
<tr>
<td>Admin and supervision of service</td>
<td>1.21</td>
</tr>
<tr>
<td>Subtotal</td>
<td>5.19</td>
</tr>
</tbody>
</table>

| Total Housing Benefit              | £112.78 |

This rent structure illustrates some of the issues discussed in Chapter Two. This rent is not broken down in such a way that it is immediately apparent what is eligible and what is not. Administration and supervision, which is far in excess of the total charge for the specific service items, for example, may well have been concealing ineligible support. However, the authority in question had apparently passed the whole of the rent.
One respondent, living in a bail hostel, was knowledgeable about his rent
because, when he had been working, he had to pay it out of his own
resources.

‘The rent is £51 a week, I pay this in full when I'm working. Housing Benefit
will pay £35 and I top this up to £51 from my Income Support. The top up
is because everything is inclusive of rent and this £15 is for food I think’

(Housing Benefit claimant, bail hostel)

The concept of rent to many of the claimants was the amount of money
paid to the scheme out of the users' disposable income.

‘I tell my friends it’s (rent) only £7 and they can’t believe it either’

(Housing Benefit claimant, shared housing)

The rent was actually £57 a week and the £7 was the ineligible element
of that, it was for heating, lighting and water. The claimant was
completely unaware of what services were being paid for out of the £57.

A number of people referred to their ineligible charge as topping up).
They did not see it in terms of a contribution to those parts of a rent
which are ineligible for Housing Benefit but as a personal contribution
because they never pay it all, do they? One claimant was resentful of the
fact that he had to pay, as he saw it £15 towards his rent.

‘All they've said is that when you come in here you pay £15 a week. They
say that is for rent, but I don't see how that works out. They don't say what
you are paying for. Get me rather wound up, different if they explained it to
you when you first came in but they don't. Sign a few papers and then say
there's £15 coming off your rent. I thought why when you are on Housing
Benefit because when you are in a council house and you're unemployed then
you don't pay rent. You're given 100 per cent rebate.’

(Housing Benefit claimant, bail hostel)

The other claimant in this hostel knew what the gross hostel rent was. In
fact neither claimant had an accurate idea of the financial aspects of their
hostel. The £15 covered not just part board, as the other claimant had
thought but heating, lighting and water as well.

There were reasons why claimants were vague about rent. First, the
landlords often appeared to take a paternalistic attitude to their tenants
protecting them from the chores of everyday living. Secondly, very often
their stay in the accommodation was quite transient. Thirdly, some had
problems which made it hard for them to be in control of financial
matters. Finally the financial documentation that was available appeared to
be inadequate. The majority of the claimants undoubtedly would have
seen tenancy or licence agreements but these did not often give sufficient
information on rent. Equally importantly, it was apparent that local
authorities notification of Housing Benefit was not broken down in a way that indicated its coverage.

*Ineligible charges* In the hostels the amount paid to the organisation by tenants varied from £3 to £25. Where heating was mentioned specifically, the cost varied from £3 to £6 a week. Where food was mentioned the deductions ranged from £10 to £15 each week. Ineligible charges in the shared houses were inevitably lower; the highest charge being £18.60. The claimants living in short-life properties for homeless people and the sheltered housing tenants paid low charges. The supported lodgings claimants paid the highest two were paying £33 a week and one an older person, seemed to be paying in excess of £90 a week which was paid out of a combination of means-tested benefits and Attendance Allowance.

Claimants typically guessed what their contribution to the rent was paying for, rather than having detailed knowledge.

'We could get a breakdown I think, but to be honest with you people don't bother. They don't want to be messimg around with facts and figures like that. They are not grateful that they are in here. You know they are trying to get their life sorted out really, we could get a breakdown, we are entitled to ask for one and we'd get one but we've no reason to ask.

(Housing Benefit claimant, shared housing)

Other typical responses were

'Rent is £2 a week. Town Hall pay the rest.'

(Housing Benefit claimant, local authority hostel)

'I pay £12.64 and the social pays £200 or something (Actually £196) I pay £12.64 for amenities whatever that means. If I don't pay it I get thrown out, so I pay it. It might be gas and electric, I don't know and all the furniture they are using, stuff like that.'

(Housing Benefit claimant, local authority hostel)

This latter claimant had no idea what services might have been included in the £196. No rent breakdown was available.

Perceptions of value for money The previous chapter commented on the difficulties of assessing value for money in circumstances when people are not paying rent and, also, are not always clear what the rent is. Claimants responded in a number of ways. These are catalogued below.

Some did not answer in money terms at all; they simply said whether they were satisfied or not with their accommodation and their services.
'Unoubtedly this is the best you can get as far as support is concerned and for the length of time it is provided. I think it will be alright when I move on because I have built up my own support network to replace theirs. It really helps if you don't have the pressure of bills to worry about while you are here.'

(Housing Benefit claimant, alcohol recovery project)

'All my needs are met here. Well, more than met because my life is not in ruins anymore. It's not 100 per cent but it's not in ruins.'

(Housing Benefit claimant, drug project)

'It helped me out a lot. I've a nice flat and stuff, I wouldn't have had without them and I would have been waiting ages for somewhere to live so I'm pleased.'

(Housing Benefit claimant, floating support)

Others answered in terms of what they themselves were paying and whether they were getting value for money in relation to these payments. A number of people thought they were getting value for money and that in ordinary accommodation life would be very much more expensive even if they were still receiving Housing Benefit.

'I would go so far as to say when the time comes for us to go we start to panic a little bit because it's so relaxed and safe and when we move from here we are talking about bills coming through the door. Here, all we do in the way of responsibility is to go to the post office each week draw our money and pay Barbara £25 and we have no worry. When we get into our tenancy and we have the gas bill and the electric bill and we have to go shopping and do us shopping for food and see what is left. That's when the trouble starts.'

(Housing Benefit claimant, voluntary-sector project)

There was a realisation on the part of some people that what they were paying for gas, electricity or food was reasonable and less than they would pay in the 'market'. A 17 year-old girl had thought about what life would be like when she moved out of her shared house.

'I will have to work everything out. I will have to pay for my flat, my bus fares (to her YTS scheme), my heating, etc. I only pay £3 towards rent now. It's hard to manage.'

(Housing Benefit claimant, voluntary-sector shared house)

Some attempt was made to gauge how affordable people felt their ineligible charges were. Only a few people said it was very difficult to find the money to pay their contribution of the rent. One young person with an income of £37 a week said the money she owed every week only left her with £18 a week. The supported lodgings claimants, the only people in the sample who had an explicit charge for care in their ineligible charge, expressed no dissatisfaction. They had by far the highest ineligible charge to pay. It was not possible to check precisely what was being deducted from Housing Benefit i.e. a standard deduction or the amount stated on the claim.
Although claimants are not by definition paying rent, they had views as to whether it represented value for money. Some people compared their idea of their scheme's rent, favourably or otherwise, with rents they were familiar with. A number of people were quite critical of the rent. The short-life housing claimants were particularly critical.

'I am moving into a maisonette which is £39.18. So why is this so much?'

(Housing Benefit claimant, short-life housing)

Apart from one person, these claimants had no concept that their rent was inflated to reflect the management costs of short-life housing. They were unable to 'see' any services. Their housing was moreover, in poor condition and heating costs in one area, because the properties were damp, were very high and, people thought, consumed too much of their Income Support.

'We don't know why the rent is so high. We can't believe anyone would pay that out of their own pocket. I don't think it's value for money even though furnished it should be cheaper; for that sort of money we could live somewhere posh.'

(Housing Benefit claimant, short-life housing)

One sheltered housing resident was the only respondent who used the term 'service charge.' She commented:

'Sometimes you wonder you pay a lot for service charges but still when you think again you think they have to have wardens' wages and that, haven't they? Like I say, a lot couldn't afford the full rent but some people who come in here have sold their own houses. They are paying the full.'

(Housing Benefit claimant, sheltered housing)

Another claimant, living in a local authority hostel, thought the rent was high. She was quite critical of the facilities, there wasn't enough furniture for example:

'It's a bit steep. I think it's about £240 for being here, that's me and the three kids, but you don't get much out of it. All you get is a roof over your head but it's safe. You get a lot of safety here.'

(Housing Benefit claimant, local authority hostel)

In contrast to the above, two claimants thought their rent compared very favourably to rents for ordinary self-contained accommodation in the vicinity of their scheme. Yet once more there was very little understanding of what services were actually provided within the eligible rent and what was being charged for them.

Conclusion The interviews were unable to establish the extent to which Housing Benefit might have been making a contribution to non-housing costs because Housing Benefit claimants, particularly those living in supported...
housing, have a low level of awareness of rent, its structure and the role of Housing Benefit in meeting rent.

The chapter has suggested that those payments which claimants are liable to make to their own organisations were below market price and that this fact was appreciated by some claimants. It has also suggested that the low incomes of the claimants does not allow much scope for the payments to be higher.

A minority of the claimants, for example three of the supported lodgings claimants, and the sheltered housing tenants, had no expectation of 'progressing' to less supported accommodation. The sorts of activity that sheltered housing wardens or project workers provided in the more temporary housing was similar. They played an important role of reassuring, listening and being around. Personal care was not a service performed by any of the landlord organisations, with the exception of supported lodgings landlords. Although a major problem for this part of the study was the impossibility of conclusively establishing what element of funding going into a scheme was paying for what, with supported lodgings a substantial element of the claimants' own contribution to the charge was paying for personal care.

Finally the claimants, when encouraged to talk about value, were relatively thoughtful and sophisticated about the various types of provision. There was also a range of opinion. Although generally people were highly appreciative of the services they were receiving there were some criticisms. There was very little evidence that people were receiving unwanted services, but two or three respondents appeared to be dismissive of the support that was on offer.
This report has examined in some detail that part of rent which is eligible for Housing Benefit. The charge that Housing Benefit claimants have to pay for renting accommodation is often more than that which covers the cost of letting the accommodation itself. Costs which are over and above those associated with the basic accommodation charge are often referred to as 'service charges.' Housing Benefit generally will only pay for those service charges which are related to 'the provision of adequate accommodation.' This report has shown, however, that the determination of eligible rent is not straightforward.

The regulations are very clear as to what Housing Benefit will not pay for. Schedule 1 details and defines ineligible charges. What is eligible, however, is not defined in law and the report highlighted a lack of clarity both at the local level and within guidance coming from central government about (i) what is eligible, (ii) what is a service charge and (iii) what is part of the basic accommodation charge. There was no consensus among the interested parties (Housing Benefit officers, Rent Officers, landlords and tenants) as to what part of the rent is the basic accommodation charge and what is not. There was also no agreement as to whether any charge which is over and above a basic accommodation charge is, by definition, a service charge. For example, the gross rents of two tenancies may cover the costs of a housing support worker. With one the costs of that worker are separately identified and labelled in a rent breakdown as 'management costs.' With the other these management costs, which may cover both management of the property as well as management of the tenancy, are not separately identified. The Housing Benefit officer does not have unequivocally clear guidance on how to determine the eligible rent in these two examples.

Another example of the lack of clarity concerning what is rent and what is a service is found in the case of landlords who provide temporary accommodation for homeless people. The rent might be higher than accommodation of similar size and quality on the grounds that the property will suffer excessive wear and tear. These extra costs might be absorbed within the rent or they might be identified as a service charge.

An additional problem for the Housing Benefit officer is that he/she has no detailed guidance on when and how to apply the exceptions to the rules governing ineligible costs. The report has shown that the most problematic of these exceptions is the so-called '50 per cent rule' within the regulations as to how to treat the service charge 'counselling and support.'
One of the original aims of the research had been to quantify eligible service charges. The report has shown that this is not possible since there is no agreement as to what is an eligible service charge and what is eligible 'basic' rent. When Housing Benefit officers, Rent Officers and landlords with the exception of some social housing landlords, think about service charges most of them are thinking exclusively about ineligible service charges. Moreover, there was the universally held view that landlords and tenants cannot be expected to break their rents down into separate headings which correspond to the service charge terminology employed by Housing Benefit guidelines. The lack of identification of services and the amount attributable to them was not usually a deliberate attempt on the part of landlords to conceal services, but rather a failure to set rents in the way that the regulations assume they will be set.

Nevertheless, the report has identified situations where landlord and/or tenants concealed services within gross rent in order to try and get as much Housing Benefit as they could. Housing associations, for example instead of identifying a charge for counselling and support will sometimes include an unidentified amount for support within the gross rent. The report showed that some Housing Benefit officers thought that housing associations were more knowledgeable about Housing Benefit regulations than many private-sector landlords. It also showed that some local authority eligible rents may contain ineligible items because there is little investigation of local authority rents by Housing Benefit officials. For example, the study found some very low ineligible charges in council hostel rents. Some of the costs therefore, for these items might have been met by Housing Benefit.

Housing Benefit officers did try to ensure that ineligible amounts were deducted from rent. However, they reported that limited resources meant they could not carry out extensive investigations to inform their decision making. There is variation across the country in what Housing Benefit is paying for. This variation comes about for two reasons. First because there is no tight definition within the regulations as to what is eligible and what is not, and secondly because local authorities were under pressure and felt that they were unable to ask all the questions they perhaps should have been asking. Housing Benefit application forms were sometimes not asking for information about services in an clear or consistent way nor were procedures sufficiently rigorous to ensure consistency within a Housing Benefit department, for example deciding when a charge is reasonably low.

The local authorities in the study often relied on the Rent Officers to identify services in the course of their property inspections. They also reported that Rent Officers would often make low determinations of rents which included services. Rent Officers have a minimal role in the valuation of services but their practice of including ineligible services within a determination impacts on eligible rent in unintended ways.
example, both Rent Officers and Housing Benefit officers felt that Housing Benefit was subsidising meal provision. Another difficult area for Rent Officers was supported housing, despite the fact that they dealt with few such referrals. The key problem was that these rents do not have market equivalents. Some Rent Officers took a tighter view of what is accommodation-related than Housing Benefit officers and subsequently made low determinations. However there was a variety of approaches among Rent Officers.

Counselling and support was a particular focus of the study. The research has shown that Housing Benefit is paying for a range of housing management activities, many of them intended to help tenants maintain and retain their accommodation. In some cases it is also paying for personal activities such as shopping, befriending and collecting prescriptions. The report has shown that it is difficult to quantify the extent to which Housing Benefit is paying for these personal activities because support activities are not always explicitly itemised in rent breakdowns. The Housing Benefit officers and Rent Officers in the study believed that Housing Benefit should not pay for ‘care’. However the Housing Benefit officers did feel it was the legitimate role of Housing Benefit to pay for housing management costs. They believed these housing management costs related to the provision of adequate accommodation and thus were eligible for Housing Benefit.

This part of the research has been about three conceptually distinct sets of costs (Clapham and Franklin, 1994)

(i) housing

(ii) support, and

(iii) care

In practice these three areas can become quite blurred and in recent years there has been a debate about what is housing, what is care and what is support (Clapham, Munro and Kay, 1994). One of the strands of this debate has been about ensuring that housing subsidies do not pay for what social welfare organisations ought to be paying for.

Although it may not be so difficult defining what is housing and what is care the essence of the problem facing our respondents was with the distinction between housing and support. The majority of the respondents felt that Housing Benefit should pay for ‘intensive housing management’ which, as the report has shown, itself includes support-type activities such as the settling of neighbours’ disputes and the provision of benefit advice. A minority of respondents, particularly some Rent Officers, interpreted the Housing Benefit regulations concerning the provision of adequate accommodation more tightly and, arguably, more in the spirit of
Departmental guidance Circular HB/CTB A36/95, issued after the fieldwork was completed, reminds authorities that the Divisional Court ruled that only services which relate to the adequacy of accommodation as a dwelling can be met by Housing Benefit.

The research found that the ‘50 per cent rule’ does not work in practice, and it was unable to determine whether any decisions which officers made to pay Housing Benefit for a support activity was because it was accommodation-related or because they were satisfying the ‘50 per cent rule’. It is impossible for a Housing Benefit officer to decide whether a landlord is spending more than 50 per cent of his time delivering eligible services when there is no consensus as to what a service is.

The research examined supported housing, landlords’ and tenants views of and approach to, Housing Benefit. It confirmed officers’ beliefs that landlords were often unable to break rent down into constituent parts, each with an associated cost. The research also showed that although providers were setting their rents in terms of what they thought Housing Benefit would pay, this was often with Housing Benefit officers’ consent, subsequent to a process of negotiation. There was evidence that the ineligible elements of rent were set below realistic costs but the research was unable to establish whether Housing Benefit was covering the deficit. Many respondents had little detailed knowledge of rent setting. None of the landlords, including the four private-sector landlords, were seeking a profit and most were receiving other sources of funding for their schemes.

On the distinction between housing and support, many of the landlords said that it was extremely difficult to disentangle the two, housing management was itself a welfare activity. They believed that it was the legitimate function of Housing Benefit to fund intensive or additional housing management.

The interviews with claimants showed that none were in a position to negotiate rents with their landlords, there is no market equivalent of the sort of housing they were living in. Supported housing can be contrasted with commercial board and lodgings. The latter is meeting a demand in the rented market for accommodation-with-services. Supported housing is designed to meet support and accommodation needs. The claimants in the study were extremely vague about the financial details of the schemes they were living in and they were unable to shed any light on the extent to which Housing Benefit was funding care and support. Typically, their Housing Benefit payment was sent directly to the landlord. Many equated ineligible charges with rent. There was little evidence that services were not consumed or wanted and generally, claimants were highly satisfied with both their accommodation and services. A number expressed some appreciation of value for money and were aware that ineligible charges were low. Higher ineligible charges would have caused affordability problems. High levels of need for intensive housing management were in.
evidence Not only did many claimants need social support such as training in ‘life skills’, they also needed the sort of support provided through housing management to help them retain their accommodation.

Finally the research has thrown into sharp relief some fundamental issues in social policy. It has shown that there are significant differences in the way local officials interpret and apply social security regulations. There has long been an academic debate about, respectively discretion, latitude, and discrepancy in social policy administration. On the one hand officials should be able to exercise judgement in the delivery of benefits so that a degree of sensitivity to individual needs and circumstances can be ensured. On the other, leaving officials scope for interpretation can lead to an arbitrary treatment and an undermining of the formal rules needed to achieve universality of provision (Kemp and McLaverty, 1993; Ham and Hill, 1993). As far as the determination of eligible rent is concerned, the scope for local interpretation, rightly or wrongly, will remain while the regulations remain insufficiently clear. Where regulations are not clear Housing Benefit officers, like those in this study, change from being technical administrators into professional decision makers obliged to draw distinctions between housing, support, and care.
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The Department of Social Security Social Research Branch is responsible for commissioning and managing the Department's research programme. The research programme serves the information needs of Ministers, the Department and its Agencies. Research contributes to the development and implementation of new policies and the monitoring and evaluation of existing policies. It also plays an important role in providing customer feedback on the Department's services.

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If you would like to know more about the work of the Social Research Branch please contact:

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