

Supported Housing Update

Purpose of report

For information.

Summary

On 31 October, Government published a new consultation on supported housing funding with a closing date of 23 January 2018. Government confirmed that the Local Housing Allowance (LHA) rate would not apply to supported housing or wider social housing, which was welcomed by the LGA. This report summarises the consultation and seeks a steer on next steps to involve councils in developing the LGA's response.

Recommendation

That Members of the Community Wellbeing Board are invited to share any initial comments in response to the consultation and to give any further steer on the next steps proposed in paragraph 20.

Action

To be taken forward by officers in line with Members' steer.

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Supported Housing Update

Background

1. Supported housing provides a vital bridge between housing, support, health and care. It can bring together the positive elements of good quality build in the right locations with support for the needs of the vulnerable individual, alongside help and care for that individual so they can live a fulfilling life with positive outcomes.
2. In the Autumn Statement 2015, Government announced its intention to apply the Local Housing Allowance (LHA) rates to social rents, including social housing, with effect from 2018. The implementation date was subsequently deferred to April 2019.
3. The LGA's February 2017 response to Government consultation on applying the LHA rates to supported housing highlighted significant concerns because it failed to take into account the higher cost of this type of housing and the fact costs are less susceptible to regional variations. This posed a significant financial risk to councils and providers.
4. On 31 October, Government tabled a [written Ministerial statement](#) on supported housing and published a new [consultation](#) on future funding with a closing date of 23 January 2018. Government confirmed that the Local Housing Allowance (LHA) rate would not apply to supported housing or wider social housing, which was [welcomed](#) by the LGA. In order to properly plan for the new approach, the Government has further deferred implementation until April 2020.
5. The LGA ensured councils were fully involved in earlier consultations. This included Cllr Izzi Seccombe chairing a Task and Finish Group on roles and responsibilities in response to the previous proposals.
6. This policy area is jointly steered by the Community Wellbeing, Resources and Environment, Economy, Housing and Transport Boards. Interaction between the proposed changes and the reformed benefits system is a particularly key issue to ensure fair and timely access to appropriate supported housing.

Summary of the Proposals and Initial Implications

7. Through its reforms, the Government aims to improve health and wellbeing outcomes for vulnerable people, achieve better value for money, reflect welfare reform and give local areas greater oversight over supported housing provision.
8. Members previously agreed a set of principles (Appendix A) upon which we think future funding models should be based and we suggest these are the starting point for developing our consultation response.

9. The Government recognises that a once-size-fits all approach will not work for supported housing and proposes three different models alongside a new planning and oversight regime:
10. **Sheltered and extra care (mainly older people)** – this will continue to be administered through the welfare system via a new “sheltered housing” rent that will seek to balance the higher costs of this type of housing with the need to secure value for money for the public purse. The “sheltered housing” rent will cover rent and service charges and will be set by the social housing regulator (in consultation with the sector), in line with the existing approach to social rents. We will want to ensure that “sheltered housing” rent covers housing costs and enables adequate provision. There also needs to be sufficient funding for support costs, which are mainly funded from social care budgets.
 - 10.1. The Government is seeking views on the definition of sheltered housing and extra care, the level at which to set the “sheltered rent” and whether or not bands would help to reflect different levels of need, and what drives variations in eligible service charges.
11. **Long term (mainly working age adults supported to live independently)** – this will continue to be administered through the welfare system as it currently is i.e. Housing Benefit/Universal Credit. Over the next couple of years, the Government is keen to work with councils and providers to look at securing the best possible value for money, quality and appropriate cost control. The Department of Health (DH) will lead this with the Department for Work & Pensions (DWP) and of course we will want to be fully involved.
 - 11.1. There are no questions relating to this model because it will be taken forward on a longer timeframe than this consultation. However that does not preclude us from offering comments on councils’ role in relation to long term accommodation and the need to take a strategic overview of supported housing as a whole
12. **Short term and transitional (people experiencing temporary crisis such as homelessness, offenders and domestic abuse)** - this will be taken out of the welfare regime and 100 per cent funded through a new DCLG ring-fenced block grant to English councils, potentially strengthening councils’ commissioning and oversight role. All the funding for short term supported housing costs that was due to be funded by Housing Benefit in 2020 will be transferred from DWP to DCLG and distributed to upper and single tier councils in April 2020. Given the funding pressures facing councils, a key concern will be ensuring that DWP and DCLG understands future costs so that sufficient ongoing funding is transferred to councils through the new grant. This will need to reflect that some people seek support in a new place after fleeing from abuse. Clearly there will be some national monitoring and oversight attached to the grant. We will want to ensure that it is proportionate and is taken forward through existing local partnerships whenever possible.

13. The Government has recognised that arrangements for people fleeing domestic violence will need to reflect the review of refuge provision in England that is expected to report in November 2018.

13.1. The Government is seeking views on the definition of short term accommodation and the detailed design features that would help to provide the necessary assurance that costs will be met.

14. **Planning and oversight** - DCLG has also published a draft “National Statement of Expectation”. This proposes asking councils to develop a strategic five-year supported housing plan (which can link to existing local plans) and to carry out a needs assessment of all the client groups for short term accommodation. It also suggests what DCLG would like to see being delivered on the ground, such as fair access and support which keeps people independent. We will want to ensure these arrangements reflect existing local partnerships whenever possible - particularly Health and Wellbeing Boards, are not onerous and in line with our corporate sector-led improvement approach and the Care and Health Improvement Programme.

14.1. The Government is seeking views on the draft “National Statement of Expectation” and suggestions for detailed guidance. It also asks about existing supported housing plans, partnerships and need assessments, links to other plans and strategies and the implementation timeframe.

15. Given the additional responsibilities for councils, a full New Burdens assessment will shortly be published.

16. Our overall concern will be to ensure that supported housing remains fully funded now and in the future so that vulnerable residents live independent and fulfilled lives and there is a growing and stable market that keeps pace with demand. This includes social care costs which are beyond the scope of this consultation but critical to the future of supported housing. We want to provide a person-centred approach and increase the supply of supported housing, which means sustainably funding both the housing and the support.

17. Councils will need adequate time to plan and prepare for implementing a new approach with robust advance testing of the models and flexibility to work within a range of local contexts.

Next Steps

18. DCLG is very keen to engage with us and councils during the consultation phase. We have invited councils to an LGA event on Monday 4 December to give them the opportunity to help shape our response. This will build upon a similar event we held in

January. We have also promoted the consultation to councils and invited feedback through the Chief Executive's bulletin and other relevant bulletins.

19. Members are invited to share initial feedback at the Board or with officers outside of the meeting.

20. We would welcome Members' steer on the following proposed actions:

20.1. Following the 4 December event, collate feedback from councils and seek a steer from Lead Members for relevant Boards on key messages for the LGA response, drawing upon the principles set out in Appendix A.

20.2. In early January, share the draft LGA response with Lead Members for relevant Boards for comments and clearance ahead of the 23 January deadline.

20.3. Continue to engage DCLG, DWP and DH to ensure robust local government engagement in the consultation, including appropriate political-level engagement.

20.4. Continue to seek feedback and keep councils updated on the LGA's response through the Community Wellbeing and other relevant bulletins.

20.5. Continue to engage with key national partners and organisations, such as ADASS.

Next Steps

21. Members are invited to share any initial comments in response to the consultation and to give any further steer on the proposed actions in paragraph 20.

Implications for Wales

22. Under the proposals, short-term supported housing will be funded through a new ring-fenced grant to councils in England. In Wales, an equivalent amount will be provided and it will be for the Welsh Assembly to decide how best to allocate funding.

Financial Implications

23. The Government's proposals will have financial implications for councils which will be reflected in the LGA's response.

Appendix A: LGA Principles to underpin supported housing reform

1. Place at the centre of any decision the needs and choice of the vulnerable person or people, their family and carers, enabling them to realise positive outcomes.
2. Recognise that councils have the ultimate responsibility, backed by democratic mandate, to support, safeguard, care for and house vulnerable members of their community.
3. Recognise that local councils, as local public services accountable to local people, are best placed to determine, commission and deliver based on local needs.
4. Enable the continued development of more supported housing and similar accommodation, as fundamental to sustainably meeting the future needs of an ageing population, to supporting people with disabilities or mental health issues to live independently and to enabling people experiencing homelessness or domestic abuse to have a safe home as they transition to permanent accommodation.
5. Enable councils to continue to work in partnership with their supported housing providers and recognise the need for certainty within the market to enable development to continue.
6. Not put council budgets under additional financial pressure, in particular, social care budgets.
7. Interact with the reformed benefits system in a way that is fair, accessible and transparent for tenants (and, where relevant, carers), councils and providers.
8. Ensure that the total supported housing package is adequately funded, including the rent, eligible housing related costs, support and care.
9. Be based on the recognition, as set out in the Care Act, that housing is a key component of health and care, and is the foundation upon which vulnerable people can achieve a positive quality of life.
10. Be flexible enough to provide for the wide spectrum of needs residents of supported housing have, many of which may be interlinked, and to respond to demand increases in both the volume and complexity of people's needs.
11. Minimise bureaucracy and administrative costs.
12. Be explicit about any new burdens or duties on councils being proposed, on the understanding that these will be fully funded.
13. Base any measurement of quality and value for money on the achievement of outcomes for the vulnerable person in receipt of the housing, and not just the level of rent charged.
14. Recognise that the quality and functionality of the property underpins the ability to give and receive good care.