

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No. 10

meeting date: THURSDAY, 15 MARCH 2018
title: SUPPORTED HOUSING FUNDING MODEL POLICY STATEMENT AND
CONSULTATION RESPONSE
submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
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1 PURPOSE

1.1 To inform Committee of a consultation response submitted in response to a Supported Housing Funding Model proposal.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – To address the housing needs of the borough.
- Corporate Priorities - N/A
- Other Considerations – N/A

2 BACKGROUND

2.1 The consultation seeks views on the Government's proposed new supported housing fund model from 2020 for sheltered and extra care housing in England. It is aimed at Local Authorities, supporting housing providers and people in sheltered and extra care supported housing and their families. It follows an earlier consultation in 2016 on funding for supported housing more broadly.

2.2 The Government released a 'Funding Supported Housing Policy Statement' in consultation in October 2017, with a closing date of 23 January 2018. In summary the consultation sets out the case for change as being 3 clear reasons:

1. To secure supply now and in the future.
2. To strengthen focus on outcomes oversight and cost control.
3. To ensure it works with the modernised welfare system.

2.3 There is a proposed three pronged approach to the funding. Firstly a sheltered rent for those in sheltered and extra care housing; secondly local grant funding for short term and transitional supported housing, which will include supported housing for homeless people with support needs, domestic violence and people receiving support for drug and alcohol misuse; and thirdly a welfare system for long term supported housing.

2.4 The model seeks to meet the stated objectives by delivering a model for now and for the future; one focusses on outcomes and cost control and one that works with the modernised welfare system. These new funding regimes will come into effect April 2020 reflecting the views from the sector that earlier implementation would be hard to achieve. The consultation goes on to set out the models in much more detail. It was agreed at the Lancashire Lead Officers' meeting that a joint response would be prepared across Lancashire and this is attached at Appendix 1 for information.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – Future funding of supported accommodation in the borough.
- Technical, Environmental and Legal – Important any proposals are considered and consulted on.
- Political – The impact for Ribble Valley is reported.
- Reputation – Essential funding for supported housing remains.
- Equality & Diversity – Supported housing is essential provision for vulnerable households.

5 CONCLUSION

5.1 Accept the consultation feedback submitted and acknowledge the implications for supported housing delivery.

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REF: RS/CMS/H&H/130318

Consultation on housing costs for short-term supported accommodation

Question 1: Do you agree with this definition? [Yes/No] Please comment

General Comments

We agree with the flexibility that the proposed definition provides for in terms of meeting a wide range of needs within a period of up to two years, or until suitable accommodation is found. (see comments regarding long-term and stable below). However, where individuals have the skills required to live independently, we would seek to ensure that they move on within a much shorter period than two years. We suggest that this is stressed in the guidance.

Whilst we recognise the difficulty of developing a definition which is sufficiently succinct, but also detailed enough to avoid ambiguity and confusion, one area in which we wish to request some further refinement is in the use of the term 'long-term stable accommodation'.

The phrase "long term" and "stable" is ambiguous, consequently it would be helpful to provide additional clarity to avoid a perception that the only acceptable move on pathways involve the offer of a tenancy within the local authority/social housing sector. This is very important in order to ensure that there is not bed blocking of services. People may move on to a wide ranging number of settings which are suitable including living with family, assured shorthold tenancies, long term supported accommodation and other destinations

Client Groups/Age

- Homeless Families
In relation to the client groups listed, we would suggest including a reference to homeless families.
- Mental health
We suggest using the definition in relation to mental health given on page 23 (people with mental ill health) instead of page 39 (people experiencing a mental health crisis), as the definition of page 23 is wider. However please note our further feedback on the inclusion of mental health services later in this response document.
- Other/No Recourse to Public Funds
More generally it would also be useful to define eligibility for services particularly in the case of 'Others'. Specifically it would be helpful to outline who is not eligible.

Under this new proposed funding regime for short term supported accommodation in which entitlement to housing benefit will not be an issue, is it the intention of government that services should be accessible to people without recourse to public funds? The new funding approach provides the potential to open up eligibility for the accommodation to those not entitled to housing benefits (notwithstanding any remaining issues around the need to obtain charitable resources to cover living expenses).

One of the most common occurrences where this issue has arisen is in the case of women fleeing domestic abuse without recourse to public funds pending any longer term decision around leave to remain. In some rare cases refuge providers have previously accommodated these clients through payment of rent from their own charitable resources.

In other services e.g. young people's services, there have occasionally been cases where young people from abroad, whose eligibility for benefit entitlement is not clear at the point of crisis, have had difficulties in gaining admission to short term supported housing. This is because of delays in assessment of child in need status and/or resolving concerns around the ability to claim housing benefit.

- Age
Clarification on any age range eligibility would be welcome. In particular a confirmation that any services are accessible to people aged 16 year olds and over would be useful.

Point 89

Can you please clarify the points being made in point 89 as it appears to be contradictory and it is unclear as to what is meant by soft support.

Type of services being transferred Specified/Supported

Funding for services being transferred as at 1/4/2020 - please clearly define which type of services will have their housing benefit funding included in the grant being paid to the local authority. Is this going to be solely based on those services recognised as being 'specified' under the current DWP definition?

Please provide clarity as to whether short term supported accommodation which has not been defined as specified will also be transferred (e.g. because the service does not meet the specified accommodation requirements in relation to the landlord, or due to the cost being within LHA levels which has led to housing benefit department not being aware of them). This might include private sector landlords running homeless hostels and some board and lodgings type services

This obviously has implications in terms of local mapping and identification by housing benefit departments on any software.

Long and Short Term

For some client groups there is a clear distinction between short and long term services, whilst for others the needs of the individuals make the distinction less clear.

We are assuming that it is the objective of the service which will determine its status, rather than occupancy by specific individuals who may, because of their particular needs, have remained in a service for a longer period than was expected.

Clarification around this issue would be helpful.

Our greatest concerns relate to mental health services as many services have moved from being a home for life to one which focusses on recovery. Due to the change in service model, we have schemes which include people with both assured tenancies and assured shorthold tenancies, and individuals receive support/intensive housing management for both short and long term periods depending on their individual needs.

Even where services have moved to a more recovery focussed approach and clients mostly have assured shorthold tenancies, people remain in services for more than two years either because of changes in their mental health or because of the difficulty of moving people on to suitable accommodation. This is likely to cause major problems in terms of funding arrangements.

We would suggest that consideration is given to including all mental health services within the welfare benefit system and not transferring them into the proposed short term supported housing funding system.

Types of Services which will be Eligible for Funding from 2020

At the moment the definition of services to be defined as short term accommodation based is fairly loose.

As we will be moving to a commissioning and contracting arrangement, is the intention that local authorities will have complete control over the organisations which are offered contracts e.g. private sector landlords?

Will there be any other restrictions imposed by the grant conditions or is the intention to give local authorities flexibility to meet local need within the broad definition of short term supported accommodation provided?

Specific Service Issues

- Supported Lodgings

Another service type which may require specific clarification in terms of eligibility for funding is supported lodgings for young people and emergency night stop placements (and excluding longer term Shared Lives placements and fostering placements).

Will these services meet the definition of short term services under the new funding regime?

Whilst supported lodgings were always treated as short term services under the Supporting People framework, there have been varying approaches (even within Lancashire) to determining if the service is specified

accommodation and therefore eligible for higher levels of housing benefit. This appears to be due to issues relating to the status of the host household

Where it has **not** been considered to be specified accommodation, service users have been required to claim universal credit and are subject to rent restrictions to the LHA rent level. This presents financial viability issues to some providers.

We recommend that the grant conditions clearly state that supported lodgings are recognised as a type of short term supported housing. Ideally some interim guidance to standardise the approach of housing benefit departments to the treatment of supported lodgings in 2018/19 would be welcome in order to resolve this long standing confusion and facilitate a successful conversion into the new funding regime.

- Bail Hostels

The inclusion of housing benefit funded bail hostels is also an area in which we would like to provide some brief feedback. Although we see no issues arising from inclusion of this type of provision in this new funding regime for short term services, the rationale for separating any existing oversight arrangements from those for the other Ministry of Justice funded bail hostels may be worth further consideration.

Question 2: What detailed design features would help to provide the necessary assurance that costs will be met?

Timing of calculation of funding to be transferred

More information is required regarding the process to be adopted when "lifting and shifting" from the housing benefit system to grant funding.

Will the level of funding reflect rent in payment at 31st March 2020? From recollection, when SP was introduced the pot was sized by having "golden" and "platinum" cuts. The "golden cut" facilitated the formulation of indicative grant allocations in the autumn of 2002, with final figures "the platinum cut" following in the summer of 2003. It is unclear from the consultation document if a similar process is being considered or if annual spend is being considered.

If the grant allocation does not reflect, as a minimum (see below), benefit being paid on 31st March 2020, services may be in operation for which funding is not provided to councils through the grant allocation.

Difference between funding being paid out and cost of service and resulting impact on ability to block contract for accommodation

Owing to a combination of factors including voids periods, non-entitlement, sanctions, partial entitlement for e.g. working clients, failure to submit or complete a successful claim or any other reason where these have not subsequently been backdated on appeal, we are concerned that the amount being paid when lifted at

April 2020 will not cover the full accommodation cost of the service and will have a detrimental effect on any ability to block contract for existing accommodation

Young people's services: The number of young people (16 and 17 year olds) who are Section 20 at the time of the "cut", and therefore not eligible for housing benefit, may not reflect the average figure over a normal 12 month period. The number of young people who are Section 20 is difficult to predict from year to year. Therefore the potential for a mismatch between housing benefit spend and the cost of the accommodation is probably greatest in young people's services. The net impact is that it is likely to have a significant impact on the funding transferred to the Council, and the sustainability of some services for young people.

Ring fence – We support the passporting of funding for short term supported accommodation

Longer Term funding/ Formula

We support the initial "lift and shift"; however it is unclear what funding will be available after 2020/21

We support the proposal to ensure that funding is based on an assessment of need. However, there is currently a lack of clarity regarding the mechanism to be used for estimating need and determining how funding will be distributed across England. It is unclear if there is an intention to develop a specific funding formula for short term supported housing.

In addition, whilst there are always challenges in seeking to ensure that funding levels reflect need, the potential difficulties have been exacerbated in the short term supported housing context as a result of the wide variation in responses to the removal of the supporting people ring fence, combined with rising demand and general funding restrictions.

In order to facilitate a full assessment of need for supported housing services and the associated funding requirements, we recommend that the needs assessment includes prevalence data in relation to the following:

- domestic abuse
- homelessness
- substance misuse
- mental health issues
- long-term limiting illness
- care leavers
- crime (victim and perpetrator)
- Index of Multiple Deprivation and its domains
- claimants of relevant benefits and credits

In addition, we welcome the enhanced monitoring and recording of need made possible by the new homelessness monitoring system introduced to support the implementation of the Homelessness Reduction Act.

There is a lack of consistency across the country in relation to the recording of homelessness in the PIE returns. Consequently, it is important that data from the new system is used instead of historical PIE which is likely to misrepresent levels of homelessness across the country. The levels of homelessness presentations/acceptances are likely to be higher if there are no support services.

In general, it is important to recognise the difference between demand data and needs data. We are seeking to ensure that any assessment would be based on an estimation of need rather than current demand. However, it should be recognised that when individuals are homeless or fleeing violence, multiple applications to services may be made.

Whilst we wish to see a comprehensive needs assessment, we recognise that a funding formula may have to be simplified as much as possible into a few key indicators of need, with appropriate weighting applied

Question 3:

a) Local authorities – do you already have a Supported Housing plan (or plan for it specifically within any wider strategies)? [Yes/No]

We currently don't have a plan in place, although supporting people commissioning plans for all client groups were in place up to 2015.

Some districts include supported housing provision within their Homelessness Strategy; however the level of detail in relation to needs and future planning varies considerably

b) Providers and others with an interest – does the authority (ies) you work with involve you in drawing up such plans? [Yes/No]

N/A

c) All - how would the Supported Housing plan fit with other plans or strategies (homelessness, domestic abuse, drugs strategies, Local Strategic Needs Assessments)?

Supported housing can contribute towards the delivery of a range of wider strategies and plans (e.g. homelessness, drugs strategies, mental health) by enabling people to develop the skills required to live independently or with less support.

It is envisaged that wider strategies and plans will inform the development of supported housing plans, and supported housing plans will in turn influence the development of those wider strategic plans.

In order to enable this to happen, it would be preferable for the governance of the planning of supported housing to be owned and included within wider strategic planning structures.

We would wish to ensure we maximise links with the Lancashire and South Cumbria Sustainability and Transformation Plan, Accountable Care Systems, Health and

Wellbeing Boards and other similar structures that work across Lancashire. Supported housing must be considered amongst plans to improve healthcare and should be a priority area for shared work between different local public services including co-commissioning, population health planning and preventative support.

Question 4:

a) Local authorities – do you already carry out detailed needs assessment by individual client group? [Yes/No]

We currently still collect client record and outcome data for supported housing services commissioned by LCC for young people, people fleeing violence, teenage parents and homeless household. In addition, we collect data on individuals who apply for services, but are either refused access, withdraw their application or are placed on waiting lists, so we can understand the level and nature of unmet demand.

Whilst prevalence data is collated and shown on the JSNA intelligence website and contract monitoring information and population profiling for some client groups is also collected by a range of commissioners (e.g. substance misuse), needs assessments are not currently undertaken for all client groups.

A specific DV JSNA was completed in June 2013 and some work has been undertaken in relation to needs of young people during 2016/ 2017.

b) Providers – could you provide local government with a detailed assessment of demand and provision if you were asked to do so? [Yes, both / Yes, demand only / Yes provision only /No]

All – is the needs assessment as described in the National Statement of Expectation achievable? [Yes/No]

The extent to which the expectation in relation to needs assessment is achievable depends on:

- whether the government wants a similar approach to be adopted across the country to enable comparison of levels of need, and
- the level of resources made available by government for implementation

Historically, there has been difficulty in developing approaches to assessing need for supported housing. Tools were developed under the SP framework which were adopted across a range of authorities (e.g. North West, London etc.). It would be useful to review the benefits and challenges of previous models, prior to issuing any guidance

Where assessments of need determine future funding allocations, it is important that there is some consistency in the approach being adopted, whilst also recognising the need for local flexibility to reflect the pattern of local organisations which may be responsible for collecting data

c) Please comment

Question 5: Do you agree with this approach? [Yes/No]. Please comment.

LCC Response

We support passing funding to upper tier authorities, subject to:

- funding being passed in full from DWP to local authorities,
- funding being made available for implementation
- appropriate consultation being undertaken in relation to any future funding formula and
- the implementation of any formula being undertaken in a reasonable manner.

We have concerns regarding the future funding for all types of services, in particular services for women at risk of domestic violence

District Response

“the upper tier needs to include the Districts” – needs to be strengthened, it must be recognised that this funding delivers the districts statutory duties and therefore the districts need to have equal joint decision making in place with LCC on commissioning and governance arrangements. Whilst the involvement of other agencies such as health is supported, the Districts have to have more of a voice in this than anyone else, especially taking into account the new duties under the Homeless Reduction Act.

Question 6: The draft National Statement of Expectation (see Section 4) published today sets out further detail on new oversight arrangements and the role of local authorities. We would welcome your views on the statement and suggestions for detailed guidance.

We welcome the development of the draft National Statement of Expectation for Supported Housing (housing costs)

Overall Expectations

We support

- the emphasis on the benefits of supported housing
- identifying three distinct segments: sheltered and extra care, short-term and transitional support and longer-term support
- links to the wider government strategies to ensure an integrated approach
- the objectives which have been detailed – meeting local needs, ensuring fair access, supporting collaborative working, promoting delivery to a decent standard and encouraging innovation in commissioning through a strategic approach
- the development of a partnership approach to the development of a local Supported Housing Strategic Plan – we support the involvement of a wide ranging group of statutory agencies and provider organisations
- the focus on value for money and delivery of good quality service

Short-Term Supported Accommodation

- Whilst we support the emphasis on enabling fair access, including where no local connection has been established, we are concerned that given the overall inadequate level of supply of provision across the country and the requirement for local people to have priority then there are likely to be significant practical difficulties in delivering this objective. Also see comments under Question 9.
- We support the focus on "move on" planning in the commissioning process and would seek to take a customised approach to setting outline target length of stays for each service which reflect the needs and complexity of service user needs but also enable timely move on. We recognise the difficulties which may arise in relation to moving people on who are working as they will be financially better off by staying in the supported accommodation and not paying rent
- We support the emphasis on transparency in reporting on spend and delivery and the annual reporting against delivery for short-term accommodation (including length of stay, types of providers and need). Whilst we support the idea of gathering data on cross border arrangements, collating data on numbers of people exiting the local area is likely to be difficult unless this information is supplied by the receiving organisation (as happened in the anonymised client record data under Supporting People)

Question 7: Do you currently have arrangements in place on providing for those with no local connection? [Yes/No] If yes what are your arrangements?

Some of the current supported housing contracts include a prioritisation framework which gives priority to people from Lancashire, whilst other contracts, such as those for refuges, do not have any local connections provisions. See comments below under Question 9.

Question 8: How can we help to ensure that local authorities are able to commission both accommodation and associated support costs in a more aligned and strategic way? Do you have further suggestions to ensure this is achieved?

We would welcome guidance and training on procuring accommodation and support, including how such services may be packaged (accommodation separate from support or together with support) Procuring services where the accommodation is owned by organisations which are also seeking to provide support is challenging given that there is an inherent potential conflict of interest. Landlords understandably seek to minimise business risk or seek to secure benefits from their assets, whilst commissioners seek to procure the best provider of support for the service being commissioned and a level playing field for bidders

By combining housing and support funding, there is the potential for securing improved value for money and developing a more strategic approach to supported

housing provision. However, through reducing the range of funding streams available and having one organisation commissioning all services, there is also the risk of creativity and innovation being inhibited and the range of options available to service users being reduced.

Consequently, we would welcome any guidance or examples of good practice in relation to:

- working collaboratively with strategic partners to jointly commission and procure services, which would enable us to meet our objectives of achieving value for money, whilst also promoting creativity and flexibility;
- commissioning accommodation and support.

Question 9: How will you prepare for implementation in 2020, and what can the Government do to facilitate this?

We have identified the following tasks which will need to be completed before 2020:

- Mapping of current provision which will be eligible to be transferred.
- Mapping of spend and impact on financial viability of services
- Needs assessment
- Development of supported housing plan
- Development of governance arrangements
- Review of approach to procurement to include procurement of accommodation and support services
- Review of contracts – to include development of contracts for block purchasing of accommodation and other contracts where we wish to vary the existing support contract with a landlord provider to include the accommodation element.
- Establish systems to facilitate reporting to DCLG

We would welcome guidance on the following:

- Detailed information on criteria for inclusion of services as 'short term supported accommodation' in the transfer of funding (required in 2018/19)
- Approach to mapping of spend for services will be included in the transfer of funding
- Procurement of accommodation and support services, including guidance from the Office of Government Commerce (OGC) in relation to the need to vary existing contracts to include accommodation costs. This may require variations of more than 50%
- Needs assessment
- Assessment of core rents and service charges.
- Guidance for new build in terms of acceptable future rent levels, as there are concerns about the impact of high rent levels on a fixed grant .
- Where specialist services exist within a local area which results in people seeking to move on the supported accommodation in the same area, there is the potential for increased funding pressures locally. Can guidance please be provided on collaboration between authorities and pooling of resources

Exemption from the Shared Accommodation Room Rate

We would also like to request that the DWP reviews the exemptions from the shared accommodation room rate for single people moving out of supported accommodation. People leaving all forms of supported housing (including people who are under 25 years old) are likely to have needs which would impact on their ability to share general needs accommodation, and therefore effects their ability to move on from supported housing. This has a negative impact on the individual and impacts on value for money as supported housing is being utilised by people who could move on to live in the community.

The entitlement to an exemption is currently linked to having lived in a 'hostel', where the accommodation is not self-contained. We think that the exemption should be expanded to include supported housing more generally.

Many supported housing schemes are now partially or fully self -contained. It is often designed this way to facilitate internal move on progression from fully shared crisis bed rooms to final stage self- contained accommodation prior to move on into independent accommodation. Therefore under a rigid enforcement of the 'hostel' rule a resident of a crisis bed at our new purpose built supported accommodation for single homeless people in Lancaster would be eligible for an exemption when moving out but a resident of a final stage self -contained flat in the same building would not be entitled to an exemption. Consequently, the current definition mitigates against effective move on planning and might be a deterrent to allowing residents to have the opportunity to test out more independent living prior to moving out.

We would like to request that in the interests of meeting individual needs and supporting planned move on that the DWP reviews the exemption criteria wording around 'hostel'

Question 10: What suggestions do you have for testing and/or piloting the funding model?

In order to test out the particular issues which occur within a two tier setting, we suggest that two tier authorities are involved with this pilot.

Question 11 If you have any further comments on any aspects of our proposals for short-term supported housing, please could you state them here.

We recognise the removal of short term supported housing services from the welfare benefit environment enables:

- Clients to secure employment without putting their housing at risk, and there would be reduced risk of access being refused or eviction because of issues

relating to payment of rent. In addition, when working clients can save for deposits/furniture/ other move on expenses

- Local authorities to have greater control over the development and cost of supported housing,
- Providers to reduce the time spent in dealing with benefit claims and gives them greater certainty regarding income levels

However, we have concerns regarding the medium to long term availability of funding for services and the significant cost of implementation for local authorities.

Consequently, we support passing funding to upper tier authorities, subject to:

- funding being passed in full from DWP to local authorities,
- funding being made available for implementation
- appropriate consultation being undertaken in relation to any future funding formula and
- the implementation of any formula being undertaken in a reasonable manner.

Whilst we have concerns regarding the future funding for all types of services, we do have particular issues regarding the funding of services for women at risk of domestic violence as outlined in the attached letters recently sent by Lancashire County Council to Sajid Javid and David Gauke.



Letter to Sajid
David.pdf



Letter to David
Gauke.pdf