

Consultation Response: Supported Housing Funding



DISTRICT COUNCILS' NETWORK

The District Councils' Network (DCN) is a cross-party member led network of 200 district councils. We are a Special Interest Group of the Local Government Association (LGA), and provide a single voice for district councils within the Local Government Association.

District councils in England deliver 86 out of 137 essential local government services to over 22 million people - 40% of the population - and cover 68% of the country by area. As the housing and planning authorities, we approve 90% of all planning applications and enabled almost 50% of all housing completions in our areas last year. District councils have a proven track record of devising innovative solutions to transform public services, taking a lead role in improving services and outcomes for people and places through better collaboration.

District councils have a proven track record of building better lives and stronger economies in the areas that they serve. Districts protect and enhance quality of life by safeguarding our environment, promoting public health and leisure, whilst creating attractive places to live, to raise families and to build a bigger economy. By tackling homelessness and promoting wellbeing, District councils ensure no one gets left behind by addressing the complex needs of today whilst attempting to prevent the social problems of tomorrow.

The DCN response to the Consultation:

Supported housing is an essential provision of specialist accommodation that meets the needs of vulnerable groups to enable them to maintain independence. Research has proved the value-for-money benefits of supported housing, with savings being made in other areas such as social care and health. Many district councils continue to provide extensive financial support to supported housing, contributing to the savings in other service areas.

The specific requirements of short-term supported housing mean that it is crucial that funding for that purpose is available quickly, alongside a detailed knowledge of the individual case. It is the firm view of the DCN, therefore, that the new funding arrangements should be made available to district authorities who have the statutory housing and homelessness duties, as well as holding local knowledge and expertise to ensure that those clients who require supported housing may access it as quickly as possible.

Supported housing provision is set in the context of increasing demand for adult social care; new statutory homelessness duties for district councils; as well as a lack of affordable and suitable housing to meet local needs. District Councils find themselves at the sharp end of managing increases in homelessness and the demand for affordable housing across all tenures.

The DCN supports the decision not to apply the LHA rate to supported accommodation, which would have otherwise put insurmountable barriers in the way of clients receiving the support they need.

It is helpful that the broad range of supported housing provision has been set out in three main categories within the consultation. It is recognised that by defining the sources of funding for each of these three categories, this will provide operational clarity, as well as assurances about future provision, for local authorities, for service providers and for clients.

The DCN also supports the broad proposal that the category of sheltered and extra care accommodation will continue to be funded through the welfare system. We also agree with the proposal that there will be further work with the sector on the funding model for long-term supported housing.

While we are encouraged by the review of funding for short-term supported housing to bring it outside the welfare system, we are concerned by the proposal that the new grant funding will be allocated to upper tier authorities. We continue to call for the grant funding to be given directly to district councils, who are responsible for the delivery of frontline housing and homelessness functions.

The DCN response to the consultation questions:

Section 2: Consultation on housing costs for sheltered and extra care accommodation

Q1:

- a) The DCN defines sheltered housing as accommodation for those over a defined age, but also for those below that age who have disability or health issues which necessitate additional support. A great deal of sheltered housing owned by district councils was built many decades ago and may no longer be of a standard that is demanded by the newly retired. For example, some schemes may still contain small bedsit accommodation and shared bathrooms. Some sheltered housing incorporates communal facilities, such as a lounge or laundry. Support may be provided either on- or off-site, and in some examples clients may have the option whether they wish to have the support service.
- b) The DCN defines Extra Care as accommodation for elderly residents with a care and/or support need, which is provided to enable the client to live semi-independently. The Extra Care provision should be flexible to adapt to each client's changing needs over time. Extra Care schemes usually include enhanced communal facilities, including dining room and food provision, and a range of other services such as hairdressing, shopping, sports and social activities.
- c) Many District Councils use sheltered and Extra Care accommodation in flexible ways, so that the needs of clients who may not meet the age-restriction of a scheme can be accommodated within it. The DCN would welcome a definition of this type of housing based on the function of the property for the client, rather than based on age or property type.

Q2:

Not all sheltered housing tenants have a care and/or support need. They may have opted for sheltered housing in order to live alongside neighbours of a similar age and to feel safer than they would in general needs housing.

By incorporating the 3 elements of social rent + care + support into the 'Sheltered Rent', this could prevent district councils from varying their provision to meet individual needs. If a 'Sheltered Rent' has fixed elements for care and support with no choice whether to opt in or out, this may be a barrier to lettings.

However, if the funding for sheltered housing is to remain within the welfare system, with a prescribed level of 'Sheltered Rent', district councils will have little choice but to charge tenants for all 3 elements irrespective of individual needs.

Q3:

District Councils assess the management and maintenance costs of the provision of sheltered housing in order to set eligible service charges, by reviewing past costs and projecting future costs. These can be impacted by the investment required in the sheltered housing asset and the staffing resources needed to continue to provide the level of service required by sheltered tenants. Ineligible service charges may include utility costs which are not covered by housing benefit or the housing element of Universal Credit.

Q4, Q5, Q6:

The DCN would welcome participation by district councils and service providers in any ongoing preparation for the implementation of a Sheltered Rent in 2020.

We would like the opportunity for district councils to continue to comment on any specific proposals regarding a banded approach to the setting of Sheltered Rent; eligible and ineligible service charges.

The DCN believes it is important that the formula to set Sheltered Rent incorporates sufficient flexibility to allow for variation in provision across district councils and to meet the nuances of local needs and wishes.

We would also like to see an opportunity for flexibility in the funding band of supported accommodation, so that those clients whose needs or circumstances may change, might have opportunities to remain in their current accommodation, rather than move to alternative accommodation, because of its defined purpose.

Q7:

The DCN welcomes the draft National Statement of Expectation which reflects the importance of supported housing and focusses on its principles rather than prescribed policies or procedures. We understand that the National Statement of Expectation will constitute non-statutory guidance to local authorities which will allow for flexibility of provision across districts.

Q8:

We value the opportunity for district councils to continue to work with upper tier authorities and with local providers to determine the provision of supported housing, sheltered and extra care housing across all needs categories.

Partnership arrangements will vary across local authority areas, with some districts demonstrating examples of good practice in the way they work proactively with partners, taking a collaborative approach to decision-making around assessment of need and commissioning to meet those needs.

However, positive partnership working is not universal across district council areas and relationships with some upper tier authorities do not include a collaborative

approach. The DCN welcomes the requirement for local strategic planning and an assessment of local needs. The DCN also welcomes the encouragement of local partnerships between upper and lower tier authorities, commissioners and providers to plan and deliver together.

Q9, Q10:

It is welcome that the implementation of the reform on sheltered and extra care accommodation has been moved to April 2020. This will allow district councils to create links with upper tier authorities and with service providers in their area to work towards sufficient targeted provision to meet assessed needs. It will also allow time for district councils to participate in ongoing discussions on the elements of Sheltered Rent.

Q11:

Commissioning of sheltered and extra care housing varies across district councils.

Q12:

We would welcome the opportunity for district councils who are involved in positive relationships with their upper tier authority in planning and commissioning these services to participate in 'trail-blazing' new examples of good practice in order to drive improvements in outcomes and value for money.

Section 3: Consultation on housing costs for short-term supported accommodation

Q1:

The DCN agrees with definition of short-term supported housing as accommodation with support for those who need it after a period of crisis or as part of transition to independent living. However, we believe that setting a definitive time limit of 2 years could impose restrictions on the service and the clients it could assist.

Some 'short-term' supported accommodation offers accommodation to clients on a longer basis, where the amount of support is appropriate for a client's current needs and/or the client may need a longer period before they are ready for independence.

Other 'short-term' provision may offer far shorter occupation periods, of several months, for example.

It is the view of the DCN that it would be more helpful to have a definition of 'short-term' accommodation which reflects the purpose of the supported accommodation scheme and that is clearly related to need rather than any defined duration of occupancy. Any timescales should remain advisory, and reflect that short-term accommodation may range from several weeks or months to several years.

A broader definition of the expected length of occupancy for short-term accommodation would allow for that flexibility and should be linked to an assessment of ongoing need, but would still incorporate supported housing provision where housing benefit or Universal Credit would be an inappropriate way to secure the funding required to protect the scheme.

District councils and upper tier authorities should be involved in determining which supported housing schemes in their areas would meet the criteria of short-term supported accommodation, rather than the definitions being applied centrally. The type and location of such accommodation would form part of that assessment.

Q2:

The DCN welcomes the proposal to simplify the funding for short-term supported accommodation.

However, the DCN's major concern is regarding the security of that funding over time. It is extremely challenging for upper tier authorities to meet the costs of adult and children's social care, as well as other services. Therefore any shortfall of funding in relation to supported housing, however it is ring-fenced, will be vulnerable to the overall demands on upper tier authorities to meet their own statutory duties.

In addition, there is a risk that the funding may become insufficient to meet the demands for short-term supported accommodation.

Thus, taking into consideration the demands placed on upper tier authorities to meet their own duties, the DCN is not confident that this supported housing funding will remain protected or that it will continue to be put to the use that it was intended.

There is a potential risk for district authorities that if this funding is subsequently used by upper tier authorities for purposes other than short-term supported housing, this may lead to unknown financial liabilities for districts. District councils may be required to continue to provide accommodation and support in order to meet their own housing and homelessness statutory responsibilities, even without the availability of the targeted funding.

It is our view that providers will be particularly wary of the safety of the ring-fence, because of their experiences with the changes in Supporting People funding and in the devolvement of crisis payments from the DWP. These sources of funding did not remain protected in the hands of upper tier authorities. Providers will fear that ring-fenced funding for short-term supported accommodation will be equally vulnerable.

The DCN also believes that the amount of funding that will be allocated should not be based upon the amount that is currently paid out in housing costs. Rather, the grant allocations should be based on an assessment of need carried out in each area. This need may not be currently met by short-term supported accommodation, but nonetheless the need still exists. This review of funding is an ideal opportunity to allow district councils to work with their upper tier authority, as well as with local providers, to more accurately assess current and projected support needs, which would help determine an appropriate level of grant.

Q3:

The availability of a current Supported Housing plan will vary across district councils. The best practice examples of Supported Housing plans would be those which cross-reference to other relevant local authority strategies and assessments.

Q4:

The availability of detailed needs assessments by client group will vary across district councils.

The DCN supports the proposal for needs assessments in the National Statement of Expectation. However, the needs assessment is likely to identify needs which are not currently being met and will raise expectations about what may be available.

This reinforces our response to Q2 above: that is will not be sufficient to replicate the amount of funding currently being provided through housing costs in order to apply a grant to meet short-term supported housing needs.

Q5:

The DCN does not agree with the approach to allocate this grant to upper tier authorities. It is our view that the grant funding should be made directly available to lower tier authorities to commission and provide the short-term accommodation solutions that meet local needs and sit neatly alongside Housing and Homelessness Strategies and the provision for vulnerable groups.

Q6:

The DCN welcomes the draft National Statement of Expectation which reflects the importance of supported housing and focusses on its principles rather than prescribed policies or procedures. We understand that the National Statement of Expectation will constitute non-statutory guidance to local authorities which will allow for flexibility of provision across districts.

Q7:

The arrangements for clients without a local connection will vary across district councils.

Q8:

The DCN believes that it is problematic to give responsibility for the commissioning of accommodation and support costs to upper tier authorities. Upper tier authorities have limited expertise in managing accommodation costs. This means there are risks for the providers that their source of funding will depend upon the authority's commissioning decisions.

The management of the accommodation provision will require greater oversight and inspection than is currently operated by many upper tier commissioners. It will require new staff skills within the upper tier authority. An example is the management of voids. The current funding model incentivises providers to fill voids promptly, in order to maximise income from housing benefit or the housing element of universal credit. If the funding is no longer based on occupancy but for the provision itself, there will be less incentive for providers to fill voids, which in turn will have an impact on district councils' housing and homelessness functions.

Q9:

It is welcome that the implementation of the reform of short-term supported housing will not take effect until April 2020. This will allow district councils to create links with upper tier authorities and with service providers in their area to work towards sufficient targeted provision to meet assessed needs and to ensure that the Supported Housing Plan accurately reflects the provision required in their local area as well as aligning it to their relevant existing strategies and assessments.

We would welcome the opportunity for district councils who are involved in positive relationships with their upper tier authority in planning and commissioning these services to participate in 'trail-blazing' new examples of good practice in order to drive improvements in outcomes and value for money.

We hope that this submission helps Government in the development of the review of funding for supported accommodation.

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