

REPORT OF: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: EXECUTIVE

DATES: 14th DECEMBER 2017

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FUNDING SUPPORTED HOUSING: Policy Statement and Consultation

PURPOSE OF REPORT

1. To update Executive of the policy statement issued by Government in relation to funding for supported housing.
2. To seek Executive permission to submit proposed responses to consultation questions set by Government.

RECOMMENDATION

1. Executive is recommended to note the policy statement issued by Government in relation to funding for supported housing.
2. Executive is recommended to agree to the response to consultation questions being set by Government.

REASON

To ensure Executive is aware of the policy statement issued by Government and that the Council is able to submit its views to questions set by Government regarding funding supported accommodation.

ISSUE

Further to the Executive Report on 8th February 2017 regarding opportunity to respond to consultation in relation to funding for supported housing, the Councils response to consultation was submitted. Since this time, Government have issued a response to consultation (Appendix 1) and released a Policy Statement and Consultation (Appendix 2).

The Government has announced that, based on sector feedback from consultation, the Select Committee inquiry, and Task and Finish groups, a three-pronged approach to funding supported housing in England has been developed:-

1. A 'Sheltered Rent' – for those in sheltered and extra care housing

- For sheltered and extra care housing, often for older people but also including working-age tenants.
- Introducing a 'Sheltered Rent', a type of social rent, which keeps funding for sheltered and extra care housing in the welfare system.
- Better cost control, as the social housing regulator will use existing powers to regulate gross eligible rent (rent inclusive of eligible service charges) charged by registered providers. Government is seeking views on the appropriate level to set gross eligible rent at through the consultation.
- This model will come in to effect from 2020.

The Government believe this will provide the certainty providers need in order to invest in future supply, whilst providing enhanced cost controls and ensuring value for money for the taxpayer, and good outcomes for tenants.

2. Local Grant Fund – for short-term and transitional supported housing

- For short-term and transitional supported housing – including supported housing for homeless people with support needs, people fleeing domestic abuse, people receiving support for drug and alcohol misuse, offenders and young people at risk.
- 100% of this provision will be commissioned at a local level **, funded locally through a ring-fenced grant, and underpinned by a new local planning and oversight regime. This means all the funding for housing costs (including rent and eligible service charges) that were previously met from Housing Benefit, will instead be allocated to local authorities to fund services that meet the needs of their local areas.

**** The Government has stated in its consultation document (Appendix 3, pt95 - page 10) that in two-tier local authority areas the grant will be allocated to the upper tier**

- This model will come in to effect from 2020.
- As per the recommendations of the Joint Select Committee inquiry, this removes short-term accommodation costs from the welfare system and provides local areas with more oversight and control over the provision in their areas.
- An individual's entitlement for help with their housing costs (through Housing Benefit or the housing cost element of Universal Credit) will be unchanged.

3. Welfare System (Housing Benefit/Universal Credit) – for long-term supported housing

- For long-term supported housing – including supported housing for those with learning disabilities, mental ill health and physical disabilities, as well as highly specialised supported housing.
- As Local Housing Allowance rates will no longer be applied, 100% of housing costs (rent inclusive of eligible service charges) will continue to be funded as at present through the welfare system (subject to the application of the existing housing benefit/Universal Credit rules).
- The Government will work with the sector to develop and deliver improvements to cost control, quality and outcomes.

Local strategic planning and oversight

The Task and Finish groups were clear that to achieve the best outcomes for supported housing tenants, local areas needed to work strategically and collaboratively with local partners, with the

appropriate level of oversight and guidance from the Government. Therefore, alongside the new funding models, a new planning and oversight regime will be introduced to ensure that local areas are best able to provide for their vulnerable citizens, and that the accommodation represents both quality and value for money:

- **Local strategic plan:** local authorities will be asked to produce a local plan, setting out how funding will be used to meet identified local needs;
- **Needs assessment:** local authorities will be asked to undertake a needs assessment to identify current provision and future need for all supported housing groups;
- **Local partnerships:** local partners will be encouraged to develop local partnerships between upper and lower tier authorities, local commissioners and providers to plan and deliver provision to meet local need;
- **Grant conditions:** the conditions attached to the short-term supported housing grant will set out how provision should be planned for, deployed and monitored;
- **Non-statutory guidance:** this will set out in more detail what local authorities should consider in establishing and operating through a new local supporting infrastructure for the short-term supported housing grant;
- **National Statement of Expectation:** this will set general expectations for the supported housing sector, including fair use of funding, a focus on individual outcomes, value for money and quality of provision, as well as arrangements for clients to move out of supported housing, and expectations of local authorities when dealing with people without a local connection; and
- **Important role for the regulator** in sheltered and extra care housing. Under the Sheltered Rent model, the social housing regulator will also regulate gross eligible rent. This will see them acting in the same capacity as they currently do for net rents, using existing powers: providers will be required to submit data on their gross eligible rents, and where there are apparent discrepancies from the permitted rent levels, the regulator will seek further assurance that the provider is compliant with the rent standard. Any breaches may be reflected in the provider's published governance judgement. The regulator already performs this role for 'Affordable Rent'.

These new funding regimes will come in to effect from April 2020.

Policy Impact on Pendle

The Policy statement broadly appears to address the long-term stability of funding for vulnerable people. It is hoped that this policy promotes greater certainty amongst supported housing providers in relation to future funding and that this actively encourages both continued and potential additional investment in supported housing schemes across the borough which would benefit those in need of such specialist accommodation provision.

Sheltered and Extra Care housing

Whilst detailed funding arrangements need to be resolved, particularly in terms of what level gross eligible rent will be set at, the policy states that new funding models should promote future provision and growth. It is therefore hoped that future funding arrangements will minimally allow for continued funding of services to existing levels but also perhaps allow for future schemes such as within Extra Care to become viable.

Short-term accommodation

This type of accommodation would include hostels, refuges and safe houses and under the policy definition, this type of accommodation could be provided for up to two years or until transition to suitable long-term stable accommodation is found, whichever is first. Provision will be commissioned locally, funded locally through a ring-fenced grant, and underpinned by a new planning and oversight regime. DCLG plans to allocate this grant to upper tier authorities.

Whilst it is not known specifically how this funding model would work, there is precedence for this type of approach via the former Lancashire Supporting People Program which was set up in order to part-fund the 'housing-related support' of short-term supported housing. As such, it is not unreasonable to assume that a similar approach would not be taken whereby a Lancashire-wide partnership is formed to help plan and oversee distribution of the grant monies received.

Longer-term supported housing

Long-term supported housing is typically designed for working-age tenants (although not exclusively) and includes, for example, housing for people with learning or physical disabilities or mental ill health, as well as extremely specialised housing, where costs are much higher than other parts of the sector. As the Council is not a provider of these types of accommodation and does not hold specific statutory duties towards the accommodation of these client groups, it is not anticipated that there will be an impact on the Council itself. It is however hoped that this greater certainty for the funding of such accommodation will help sustain current services and perhaps help expand where required to meet the needs of people within Pendle who may require this type of accommodation.

Proposed response to Consultation

The Consultation asks a number of wide ranging questions in relation to both sheltered / extra care housing and short-term supported housing. Proposed responses to questions set are enclosed within Appendix 3.

IMPLICATIONS

Policy

There are no policy implications arising from this report.

Financial

As funding will be allocated to upper tier authorities (Lancashire County Council), there are no known financial implications for the Council arising from the contents of this report.

Legal

There are no known legal implications arising from the contents of this report.

Risk Management

There are no known risk management implications arising from the contents of this report.

Health and Safety:

There are no health and safety implications arising from this contents of this report.

Sustainability:

The policy statement is likely to lead to less uncertainty regarding future funding of supported housing, which is likely to contribute towards sustainability of this specialised accommodation within Pendle.

Community Safety:

There are no known community safety issues arising from the contents of this report.

Equality and Diversity:

There are no known equality and diversity issues arising from this report.

APPENDICES

Appendix 1 – Response to the November 2016 consultation

Appendix 2 – Policy Statement and Consultation

Appendix 3 – Proposed response to Consultation