

# Appendix 3 – Proposed response to Consultation

## Introduction

1. This consultation seeks views on the Government's proposed new housing costs funding model from April 2020 for sheltered and extra care housing in England, as set out in the policy statement in Section 1. It is aimed at local authorities, supported housing providers and people living in sheltered and extra care supported housing and their families.

2. It follows our earlier wider consultation in 2016 on funding for supported housing more broadly, and subsequent work with sector in the last year. It reflects, as far as possible, the feedback from our consultation, recommendations from the Joint Select Committee report, and the recommendations of our Task and Finish groups. We are also consulting on the funding model for short-term accommodation - please see Section 3.

3. The details of the funding model are explained in detail in Section 1, Chapter 3. The key elements of the new model are:

- introducing a 'Sheltered Rent', keeping 100% of funding for housing costs (rent and eligible service charges) in the welfare system;
- rent controls for sheltered and extra care will apply to gross eligible rent (rent inclusive of eligible service charges), with limits on annual increases;
- an overall cap for Sheltered Rent. However, we have committed to bring existing supply into the system at their existing level. New supply will be subject to the cap, and we are consulting on what that level should be.
- the social housing regulator will regulate gross eligible rent, as it already does

for 'Affordable Rent';

- a new planning and oversight regime will assist local areas in ensuring they are best able to provide supported accommodation for their vulnerable citizens;
- comes in to effect in 2020; and
- will apply to sheltered and extra care housing only, and will not apply to other long-term supported housing (e.g. long-term accommodation for those with learning disabilities).

4. We believe this provides the certainty the sector needs in order to secure existing and new provision whilst ensuring greater oversight and value for money. We have also kept in mind the Government's policy objective of ensuring enhanced local planning and strategic alignment.

5. We will work further with the sector outside of this consultation on:

- the technical details of how providers enter the new system, and how the system responds to increases or decreases in service provision;

- technical detail regarding the social housing regulator's regulatory role in relation to gross eligible rent, and also how we can ensure more transparency as regards gross eligible rent;
- how best we can explore feasibility testing of the new approach to ensure we get the detailed operational requirements right;
- whether further more detailed technical guidance would be helpful in addition to the National Statement of Expectation.

## Definition

6. We recognise the importance of developing a clear definition, to be included in the rent standard and in the benefits system, which reflects the diversity of sheltered and extra care accommodation and protects residents' benefit entitlement. However, we are also clear that any definition must be tight enough to prevent ambiguity and reward the unique role of sheltered and extra care accommodation. We are therefore seeking views from the sector on how they should be defined.

7. In general terms, sheltered housing is housing designated for occupation mainly by over-55s with low-level care and support needs. The majority of residents are above the state pension age, but some are of working age. Their needs are at least in part met by extra housing facilities and services available to residents. This support could be either physical (getting in and out of the property) and/or emotional/mental (emergency help or assurance). Features of a sheltered unit might include:

- 24 hour emergency help (alarm system)
- Warden present some of the time
- Some communal facilities, i.e. lounge, restaurant, laundry, garden
- Rooms available for outreach services
- Often accessible buildings designed for communal purposes

8. In general terms, extra care housing is related to sheltered housing but with higher level support and care to help residents live independently (for example where the likely alternative might be a residential care home).

## Question 1: We would welcome your views on the following:

**a) Sheltered Housing definition: what are the features and characteristics of sheltered housing and what would be the practical implications of defining it in those terms?**

It would appear that the definition provided within this consultation appears sufficient.

**b) Extra Care definition: what are the features and characteristics of extra care housing and what would be the practical implications of defining it in those terms?**

It would appear that the definition provided within this consultation appears sufficient.

**c) Is there an alternative approach to defining this stock, for instance, housing that is usually designated for older people? What would be the practical implications of defining sheltered and extra care supported housing in those terms?**

It would appear that the definitions provided within this consultation appears sufficient.

## **Funding Model**

**Question 2: Housing costs for sheltered and extra care housing will continue to be funded through the welfare system. To meet the Government's objectives of ensuring greater oversight and value for money, we are introducing a 'Sheltered Rent' to cover rent inclusive of eligible service charges.**

**How should the detailed elements of this approach be designed to maximise your ability to commit to future supply?**

Not applicable, the Council is not a provider of sheltered or extra-care accommodation,

## **Service charges**

9. Under Sheltered Rent, rent controls for sheltered and extra care housing will apply to gross eligible rent, which is inclusive of eligible service charges, through the social rent setting system. Eligible service charges are those that are eligible under welfare rules.

**Question 3: We are keen to make appropriate allowance for eligible service charges within Sheltered Rent that fairly reflects the costs of this provision, whilst protecting the taxpayer. What are the key principles and factors that drive the setting of service charges (both eligible and ineligible)? What drives variations?**

Not applicable, the Council is not a provider of sheltered or extra-care accommodation

**Question 4: The Select Committee and a number of other sector representatives have suggested that we use a banded approach to reflect variety of provision across the sector. We are interested in understanding more about this. How do you think this might work for sheltered and extra care housing?**

The Council's priority is that the relevant variety of provision is sufficiently funded which meets the needs of local people, whether managed via banding system or other.

**Question 5: For providers, on what basis do you review eligible service charges?**

**What drives changes?**

- More than once a year
- Annually
- Every two years
- Every 3-5 years
- Every 5 years or more
- When a new tenant moves out of the property
- Other (please state).

Not applicable, the Council is not a provider of sheltered or extra-care accommodation

**Question 6: Of your service charges, what percentage is paid by:**

- Welfare payments - through eligible service charge
- Local authorities - for example, through supporting people
- The tenant
- Any other reflections

Not applicable, the Council is not a provider of sheltered or extra-care accommodation

## **Planning and oversight**

10. A new planning and oversight regime will ensure that local areas are best able to provide supported housing for their vulnerable citizens. Local authorities will be asked to work in partnership with other local partners to produce a local strategic plan for supported housing, and to undertake an assessment of provision and need for all supported housing groups. A National Statement of Expectation will encourage local authorities to adopt strategies, planning and ways of working that we are keen to see for supported housing (including sheltered and extra care housing).

**Question 7: Attached to the policy statement is a draft National Statement of Expectation (see Section 4). We would welcome your views on the Statement and suggestions for detailed guidance.**

The draft National Statement of Expectation appears to be a well-considered policy statement.

**Question 8: The National Statement of Expectation encourages greater partnership working at local level regarding supported housing, including sheltered and extra care housing. What partnership arrangements do you have for sheltered and extra care housing at the local level?**

The Council, via the former Lancashire Supporting People Partnership and more recently through ad hoc Lancashire-wide commissioning meetings in relation to proposed funding for supported housing schemes. Presently, as there is no funding for sheltered schemes being commissioned, there is no specific group for this.

## **Implementation**

**Question 9: Government has moved the implementation of the reform on sheltered and extra care accommodation to April 2020. How will you prepare for implementation in 2020, and what can the Government do to facilitate this?**

The Council will work with all relevant partners prior to the implementation date to put in place all relevant policies and procedures in order to ensure success. The Government can aid this process by providing detailed guidance where it is felt relevant.

**Question 10: Deferred implementation will allow for additional preparatory measures. What suggestions do you have for testing Sheltered Rent?**

Not applicable, the Council is not a provider of sheltered or extra-care accommodation

## **Commissioning**

**Question 11: How do support services predominantly in sheltered and extra care accommodation get commissioned in your organisation or local area?**

- By local authority (upper tier)
- By local authority (lower tier)
- Through the local NHS
- Other (e.g. nationally). Please name.

Within Pendle, sheltered accommodation is provided by housing associations and funded via local housing allowance. Additional support may be funded by residents themselves on a case by case basis. There are no extra care schemes within Pendle.

**Question 12: We believe the sector can play an important role in driving forward improvements in outcomes and value for money, for instance through joint commissioning and sharing of best practice. What role can the sector play in driving these improvements forward?**

The sector can play a similar role ie via localised joint commissioning and sharing of best practice but also where possible, introduce localised innovations where appropriate.

## Overall

**Question 13: If you have any further comments on any aspect of our proposals for sheltered and extra care accommodation, please state them here.**

No further comment to make

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

## Introduction

82. This consultation seeks views on the Government's proposed new model for short-term supported accommodation in England, as set out in further detail in Section 1, Chapter 4. It is aimed at local authorities, supported housing providers and people living in short-term supported housing and their families. We are also consulting on the funding model for sheltered and extra care housing - please see Section 2.

83. It follows our earlier wider consultation in 2016 on funding for supported housing more broadly (in which we were clear a separate model would need to be developed for short-term supported accommodation), and subsequent work with the sector in the last year. It reflects, as far as possible, the feedback from our consultation, recommendations from the Select Committee report, and the recommendations of our Task and Finish groups.

84. The Government recognises that short-term supported housing should be funded differently to other forms of supported housing to best reflect the particular circumstances of the people who need it, especially regarding the urgency and transitional nature of the provision.

85. As set out in Section 1 (Chapters 2 and 4), we are clear that a local approach to funding short-term supported housing will be beneficial as it promotes provision that matches local needs, and enables local areas to promote a joined-up approach to commissioning housing and support services. The funding model must also work with the modernised welfare system. Universal Credit is designed to reduce welfare dependency and mirrors the world of work, where most people are paid monthly. However, for short-term supported housing we have designed a tailored approach to

meet the particular circumstances of the vulnerable people who live there, who may have only a short stay of less than a month or require payments to more than one landlord in order to move on to more appropriate housing at the right time.

86. The details of the funding model are explained in detail in Section 1, Chapter 3. The key elements of the new model are:

- 100% of this provision will be commissioned at a local level and funded locally through a ring-fenced grant. This removes funding from the welfare system entirely (an individual's entitlement for help with their housing costs (through Housing Benefit or the housing cost element of Universal Credit) will be unchanged);
- underpinned by new local planning and oversight regime, including Supported Housing Strategic Plans, Needs Assessments, non-statutory guidance, and National Statement of Expectation;
- Will come in to effect from April 2020; and
- In Wales and Scotland an equivalent amount will be provided and it will be for those administrations to decide how best to allocate the funding.

## Definition

87. Short term supported housing is for people who have experienced a crisis or emergency in their lives and need additional support for a short time or a planned short term stay as part of transition to stable longer term accommodation. For this model we have defined it as:

***Accommodation with support, accessed following a point of crisis or as part of a transition to living independently, and provided for a period of up to two years or until transition to suitable long-term stable accommodation is found, whichever occurs first.***

88. This would apply, for example, to:

- People experiencing or at risk of domestic abuse;
- Homeless adults;
- Vulnerable young people (such as care leavers or teenage parents);
- Ex-offenders and offenders;
- People experiencing a mental health crisis;
- People with drug and alcohol dependencies;
- Vulnerable armed forces veterans;
- Others (such as refugees with support needs).

Supported in:

- Domestic abuse refuges;
- Homeless hostels;
- Bail hostels;
- Foyers for young people; and

- Other supported housing settings where stays may not be the housing solution in the longer term.

89. The definition does not apply to housing which does not provide soft support together with accommodation, such as general needs temporary accommodation or types of supported housing where length of stay is likely to be longer than two years.

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

It would appear that the definition provided within this consultation appears sufficient.

## **New funding model**

90. We have thought very carefully about how to deliver a funding model for short-term supported housing to best meet the needs of the people who live in it. We propose a new local funding model which will create a single funding stream to cover housing costs (core rent and eligible service charges) to be distributed by local authorities in England through a ring-fenced block grant. The grant will be paid with conditions under the Local Government Act 2003 (S.31), and will be supported by non-statutory guidance setting out our key requirements for short-term supported accommodation.

91. We will work with local government and the Department for Work and Pensions to ensure that grant allocations for short-term support accommodation in 2020-21 will match the sums that would otherwise have been paid out in each local area to pay for housing costs through the welfare system. The Government recognises that supported housing is of vital importance to vulnerable people so it is our intention that this ring-fence will be retained in the long term in order to protect this important provision and the vulnerable people it supports. The amount of short-term supported housing grant funding will be set on the basis of current projections of future need (as informed by discussions with local authorities) and will continue to take account of the costs of provision in this part of the sector.

92. This model removes short term supported housing funding from the welfare system. It will also allow:

- *Local authorities* to best plan for local need;
- *Providers* to be free from the administrative burden of managing benefits claims for housing costs and collecting rent; and
- *Individuals* to secure employment without putting their housing at risk (as higher supported housing rents are often perceived by residents as unaffordable when in work).

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

The statement 'we will.....ensure that grant allocations for short-term support accommodation in 2020-21 will match the sums that would otherwise have been paid out in each local area to pay for housing costs through the welfare system' – is very



welcome and provides considerable assurance. However, this only relates to one year and longer-term assurances would therefore be gratefully received.

93. Local authorities will be asked to produce a Supported Housing Strategic Plan, which will set out their vision for supported housing, working closely with relevant partners (including the lower tier authority in two-tier areas).

**Question 3:**

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

There is no specific Supported Housing Plan at present, although such provision is considered as part of Pendle's Homelessness Strategy and Pendle's Temporary Accommodation Policy.

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

not applicable

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

The Council does not presently have a Supported Housing Plan, although it developed, it would probably fit well with other plans or strategies.

94. As part of the Strategic Plan for Supported Housing and through the National Statement of Expectation (which outlines what local authorities should consider when allocating funding costs for short term supported housing), we are asking for a detailed needs assessment of the demand and provision for all client groups.

**Question 4:**

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

Detailed needs analysis is carried out on a Lancashire-wide basis for individual client groups where required, which also encompass data specific to Pendle where available.

**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]**

Not applicable

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

Yes

**c) Please comment**

The requirements appear broadly similar to work undertaken through the former Lancashire Supporting People Partnership. There would of course, need to be sufficient funding made available for this work to be completed.

95. In two-tier local authority areas the grant will be allocated to the upper tier, to fund provision as agreed with districts in line with the Strategic Plan. Grant conditions will also require the upper tier to develop this plan in cooperation with district authorities and relevant partners.

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

No

Pendle Council, as delivering body, would be able to take a much more localised, coherent approach to commissioning for needs across housing, health and social care than Lancashire County Council (LCC) as upper tier authority. LCC would be required to deliver services across twelve boroughs, each with potentially different needs. There is real risk this would lead to a 'one-size fits all' approach which would not meet the particular requirements of Pendle.

Pendle Council is best placed to understand local needs, in particular the inter-connection between housing and health issues within the borough. It is therefore believed that in two tier authorities, the local district Council should hold the funding.

**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.**

The further details on new oversight arrangements and the role of local authorities appear reasonable.

## **Local connection**

96. It is vitally important that the needs of all client groups who require access to short-term supported housing are considered. The Government understands that sometimes people's circumstances mean it is unsafe or unsuitable for them to live in a particular area. Under the Homelessness Reduction Act local authorities have duties to try to prevent homelessness irrespective of local connection.

97. We have made clear in the draft National Statement of Expectation that local authorities should identify and plan for these situations. This will include people fleeing domestic violence, ex-offenders and offenders, those with drug and/or alcohol dependencies and others who need to move to an area where they have no connection or those with no established local connection. Local authorities will be asked to include needs assessments and plans to meet these needs through their Strategic Plan.

**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?**

Yes, access to supported housing schemes for young people have recently changed so that additional priority is given to those from the local area. This forms one of the aspects of allocations policies which Lancashire County Council are agreeing with supported housing schemes whom they fund.

There are no local connection provisions in place regarding access to the refuge in Pendle.

## Commissioning

98. Our aim is to enable local authorities to have an enhanced role in delivering appropriate provision for their local areas. There are many benefits to this approach, including reducing administrative burdens for providers in managing claims for housing costs and resolving rent arrears, and it frees residents from concerns about meeting housing costs at a difficult point in their lives.

99. For local authorities who already commission support costs for many services this model presents an opportunity to plan for both accommodation and associated support, and to consider how best to meet local need as part of their wider strategic planning.

**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?**

The guidance issued will help to ensure that commissioning both accommodation and associated support costs will be completed in an aligned and strategic way.

## Implementation

100. The new funding models will come in to effect from April 2020, reflecting the views from the sector that earlier implementation will be hard to achieve. As the new model represents a shift in the way housing costs for short-term supported housing have previously been met, local authorities and providers will need to prepare for new commissioning arrangements and will want to consider how the changes will affect current ways of working.

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

The Council will work with all relevant partners prior to the implementation date to put in place all relevant policies and procedures in order to ensure success. The Government can aid this process by providing detailed guidance where it is felt relevant.

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

The funding model has clear similarities with the former Supporting People program. It would therefore be anticipated that the Council would work with neighbouring district Councils and Lancashire County Council as upper tier authority in taking forward testing / piloting .

## **Overall**

101. Although we have set out here the main issues on which we are seeking your views, we would also welcome comments on any other aspects of the model that you consider to be important, or if there are points you wish to make of a more cross-cutting nature.

**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.**

No