

6/2017 Funding Supported Housing



1/11/17

Key Points

- The Government has dropped plans to apply the LHA cap to social housing, including supported housing, and is now proposing a new funding model to apply from April 2020.
- The new proposals envisage different funding models for three types of supported housing:
 - Sheltered and extra care supported housing: usually designated for older people with support needs;
 - Short-term and transitional support: for example housing for homeless people with support needs, those fleeing domestic abuse, vulnerable young people, offenders and those with drug and alcohol misuse problems;
 - Long-term support: for example housing for people with learning or physical disabilities or mental ill-health.
- For sheltered housing, the Government plans a new “sheltered rent”.
- Funding for short-term and transitional supported housing, including that currently provided through housing benefit, will be transferred to ring-fenced local grant funds to be administered by local authorities (county councils in two-tier areas).
- For long-term supported housing, since the LHA cap will not apply, rents (including eligible service charges) will continue to be fully eligible for HB/UC.
- Local authorities will be asked to undertake a needs assessment to identify current provision and future needs, and to produce a local plan setting out how funding will be used to meet these local needs. Local partnerships between commissioners and providers (and county and district councils in two tier areas) will be encouraged, in order to plan and deliver provision.
- Views on the detailed implementation of the new funding model are invited in two consultation papers appended to the policy statement, one dealing with sheltered housing and the other with short-term supported housing. The deadline for comments on both is 23 January 2018.

Background

In 2015 the Government announced plans to cap the benefit eligibility of social rents, including those for supported housing, at Local Housing Allowance (LHA) levels, with effect from April 2018. Subsequently, implementation was deferred to April 2019. In 2016, the Government consulted on proposals to fund supported housing costs above LHA through a top-up fund to be locally administered by councils (county councils in two-tier areas).

DCLG and DWP jointly published a new policy statement and consultation on 31 October, confirming that the Government has dropped the proposal to cap social rents at LHA levels, and setting out different proposals for funding what are identified as three separate types of supported housing. They are:

- Sheltered and extra care supported housing: usually designated for older people with support needs;
- Short-term and transitional support: for example housing for homeless people with support needs, those fleeing domestic abuse, vulnerable young people, offenders and those with drug and alcohol misuse problems;
- Long-term support: for example housing for people with learning or physical disabilities or mental ill-health.

For sheltered housing, the Government plans a new “sheltered rent”, to be regulated by the Social Housing Regulator. Sheltered rent will be up to 10% more than formula rent, plus an allowance for eligible service charge, but subject to an overall cap.

Funding for short-term and transitional supported housing, including that currently provided through housing benefit, will be transferred to ring-fenced local grant funds to be administered by local authorities (county councils in two-tier areas). This goes beyond the earlier proposals for a top-up fund in localising full financial responsibility for this type of supported housing.

For long-term supported housing, since the LHA cap will not apply, rents (including eligible service charges) will continue to be fully eligible for HB/UC.

Local authorities will be asked to undertake a needs assessment to identify current provision and future needs, and to produce a local plan setting out how funding will be used to meet these local needs. Local partnerships between commissioners and providers (and county and district councils in two tier areas) will be encouraged, in order to plan and deliver provision.

Issues for consultation

Appended to the policy statement are two consultation papers inviting views on the detailed implementation of the proposals, one dealing with Sheltered and Extra Care supported housing, and the second with Short-Term Supported Housing. Responses to both are invited by 23 January 2018.

Questions for consultation are as follows:

Sheltered Housing and Extra Care Supported Housing

1. Definitions

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

2. “Sheltered Rent”

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

3. Service Charges

What are the key principles and factors that drive the setting of service charges? What drives variations?

4. Banded approach to reflect variety of provision across the sector.

How might this work for sheltered and extra care housing?

5. Review of Service Charges

When or how often are eligible service charges reviewed? What drives changes?

6. Funding of service charges

What percentages are paid by – welfare payments, through eligible service charges, local authorities e.g. through supporting people, tenants?

7. Planning & Oversight

Views are invited on a draft National Statement of Expectations.

8. Local Partnerships

What partnership arrangements do you have for sheltered and extra care housing at the local level?

9. Implementation

How will you prepare for implementation in April 2020 and what can the Government do to facilitate this?

10. What suggestions do you have for testing Sheltered Rent?

11. Commissioning

How do support services predominantly in sheltered and extra care accommodation get commissioned in your area?

12. What role can the sector play in driving forward improvements in outcomes and value for money?

Short-term Supported Accommodation

1. Definition

Views are invited on a proposed definition of short-term supported accommodation as follows:

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.

2. Design

What detailed design features in the new funding model would help to provide the necessary assurance that costs will be met?

3. Strategic Planning

Do you already have a Supported Housing Plan, or plan specifically for supported housing within any wider strategies? How should it fit with other plans or strategies?

4. Needs assessments

Do you already carry out detailed needs assessments by individual client group? Is the needs assessment as described in the National Statement of Expectation achievable?

5. Two-tier areas

Do you agree with the proposal that in two-tier areas the grant will be allocated to the county council to fund provision as agreed with districts in line with the Strategic Plan?

6. Views are invited on the draft National Statement of Expectations.

7. Local connection

Do you currently have arrangements in place for providing for those with no local connection?

8. How can Government help to ensure that local authorities are able to commission both accommodation and associated support costs in a more aligned and strategic way?

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

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