

**HEALTH AND WELLBEING BOARD: 25 JANUARY 2018**

**REPORT OF DIRECTOR OF ADULTS AND COMMUNITIES**

**REPORT ON CONSULTATION ON FUNDING SUPPORTED HOUSING**

**Purpose of report**

1. On 31 October 2017, the Government published two new consultations, one on housing costs for sheltered and extra care accommodation, and one on housing costs for short-term supported accommodation.
2. Both of the consultations seek the views on the design of the Government's new supported housing funding models. The deadline for responses to the consultations is 23 January 2018.
3. This report outlines the Government's proposals and the key questions addressed in the consultation and seeks agreement to submit a response.

**Link to Better Care Together**

<b>Workstream</b>	<b>Relevance</b>	<b>Workstream</b>	<b>Relevance</b>
Maternity, neonates, children and young people		Mental health	X
Long term conditions		Frail and older people	X
Urgent care		Planned care	
Learning disabilities	X	End of life	

**Policy Framework and Previous Decisions**

4. The Department for Communities and Local Government (DCLG) and the Department for Work and Pensions published two new consultations on 31 October 2017 one on housing costs for sheltered and extra care accommodation, and one on housing costs for short-term supported accommodation. The consultation documents are attached to this report. Further background documentation can be accessed at:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/656027/Funding\\_supported\\_housing\\_-\\_policy\\_statement\\_and\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/656027/Funding_supported_housing_-_policy_statement_and_consultation.pdf)

**Background**

5. The Government states that the aim is to provide funding security to providers by allowing them to make long term investment decisions and therefore secure future

supply. These changes are designed to ensure value for money for the taxpayer, enable councils to have a stronger role in providing appropriately for their local areas, and support better outcomes for tenants. Supported housing is seen as an integral part of the wider social housing sector, and there will be a future Social Housing Green Paper.

6. The Government has concluded that a one-size-fits-all approach will not work for all types of supported housing and a new funding regime is required from April 2020 tailored to the three main types of supported housing:

- **Sheltered and extra care housing** (usually designated for older people, but including some working age tenants);
- **Short-term supported housing** (for those in crisis such as those fleeing domestic violence and homeless people with support needs, or shorter term transitional help for those with substance misuse problems or vulnerable young people, such as care leavers);
- **Long-term housing** (for those with long-term needs, such as people with learning or physical disabilities, or mental ill health).

7. The consultations propose the following future arrangements:

- a) **Sheltered housing and extra care** will continue to be funded in the welfare system (Housing Benefit, Universal Credit, Pension Credit), and a 'Sheltered Rent' will be introduced. This will see gross eligible rent (rent inclusive of eligible service charges) regulated by the social housing regulator. Appropriate rates for sheltered and extra care housing costs, will be established in consultation with the sector. There will be a further, more detailed consultation next year linked to the new funding design for sheltered and extra care provision.
- b) **Short-term supported housing** will be funded through a new long term ring-fenced grant to local authorities in England. All provision will be commissioned at a local level and underpinned by a new local planning and oversight regime. Therefore, 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 giving them more oversight and control over the provision in their areas.

Funding will be paid as a grant from DCLG to local authorities using existing powers under Section 31 of the Local Government Act 2003. This will include detailed grant conditions which will be supported by non-statutory guidance setting out our key requirements for delivery. Local grant allocations will be equivalent to what would otherwise have been spent on short-term accommodation through Housing Benefit and Universal Credit in each local area in 2020-21. The expectation is that any vulnerable individual needing to stay in short-term supported accommodation who would be eligible to have their housing costs supported through the welfare system will continue to have their housing costs met through the funding model for short-term accommodation.

In two-tier local authority areas DCLG plans to allocate the grant for short-term supported housing to the upper tier authority. This will be used to fund provision in agreement with districts in line with the strategic plan. Grant conditions and non-statutory guidance will set out how provision should be planned for, deployed and monitored.

- c) **Long-term supported housing** will remain funded via the welfare system, as it is currently (Housing Benefit, Universal Credit, Pension Credit). However, the Government will work with the sector to develop and deliver improvements to cost control, quality and outcomes.
- d) **Local strategic planning and oversight** - The consultation states that to achieve the best outcomes for supported housing tenants, local areas need 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.

A National Statement of Expectation will set general expectations for the supported housing sector. Local authorities will be asked to undertake a strategic needs assessment to identify current provision and future need followed by a local strategic plan, in partnership with lower tier authorities, local commissioners and providers, setting out how funding will be used to meet identified local needs.

### **Issues for the response**

- 8. Initial discussions between departmental and Corporate Resources colleagues have identified the following key issues for inclusion in a response to the consultations:
  - a) Retention of the existing welfare system arrangements for sheltered housing and extra care and long-term supported housing is generally welcomed, compared with the previous proposals to include them in the local grant. However, it is recognised that retaining the welfare system arrangements will mean that working age people, in particular would face the additional complexity/conditionality within Universal Credit, for example.
  - b) It is unclear whether or not retaining the existing arrangements for long-term supported housing would be sufficient to promote further growth in provision.
  - c) Introducing a single sheltered rent limit across sheltered and extra care housing might be too low for extra care due to the difference in age and quality of schemes. The sheltered rent limit would need to be set at a realistic level to promote new provision. The consultation seeks views on whether a banded approach might be required.

- d) Moving to a ring fenced Local Grant Fund is a more significant change, including allocation to upper tier authority. The long term nature of the ring fence would be crucial to promoting stability of provision of short-term support.
- e) The Local Grant Fund would alleviate current difficulties experienced by providers and service users in establishing entitlement to housing benefit for very short stays and avoid potential additional difficulties under Universal Credit. However, some providers, for example domestic violence and homelessness organisations, have raised concerns that the Grant Fund would distort provision (on a winners and losers basis) rather than individual service users holding individual entitlement to benefit.
- f) Would the Local Grant Fund be best administered by the County Council or individual Districts which already hold the responsibility for their housing strategies?

### **Proposals/Options**

- 9. The proposals for future funding of short term supported housing relate to cross cutting early help and prevention services which together with the requirement for completion of the strategic needs assessment suggest that the Director of Public Health may be best placed to lead the response to consultation and commissioning of future services within the overall Early Help and Prevention strategy.

### **Resource Implications**

- 10. The proposed Local Grant Fund would require new commissioning work to be undertaken /co-ordinated by the County Council.
- 11. An assessment would be required of the implications of the County Council administering the Local Grant Fund, any commissioning of short-term supported housing and coordinating the Local Strategic Plan.

### **Conclusions/Recommendations**

- 12. The Health and Wellbeing Board is requested to
  - a) Note the Government consultation documents.
  - b) Consider the implications for housing and support services within Leicestershire.
  - c) Consider whether or not the County Council is best placed to hold the Local Grant Fund, and if so what arrangements need to be in place to deliver strategic planning and needs assessment .
  - d) Agree that the Director of Public Health as Senior Responsible Officer for the County Council's Early Help and Prevention programme should lead the

response to the consultations and consult with colleagues to determine how to develop any future commissioning responsibilities which may arise from 2020.

### **Background papers**

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/656027/Funding\\_supported\\_housing\\_-\\_policy\\_statement\\_and\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/656027/Funding_supported_housing_-_policy_statement_and_consultation.pdf)

### **Circulation under the Local Issues Alert Procedure**

None.

### **Officer to Contact**

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### **List of Appendices**

- Section 2: Consultation on housing costs for sheltered and extra care accommodation;
- Section 3: Consultation on housing costs for short-term supported accommodation.

### **Relevant Impact Assessments**

#### **Equality and Human Rights Implications**

13. Supported housing helps address the housing needs of people including older people, people with learning or physical disabilities or mental ill health and people in crisis such as those fleeing domestic violence, homeless people with support needs, people with substance misuse problems, or vulnerable young people, such as care leavers. Supported housing therefore plays a central role in addressing the care and support needs of many vulnerable people.
14. The proposed Local Grant Fund and the local strategic planning and oversight role for the County Council would require strategic and collaborative working between upper and lower tier authorities, local commissioners and providers.

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