

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

Scope of the consultation

Topic of this consultation:	This consultation seeks views on the design of the Government's new housing costs funding model for sheltered and extra care accommodation, in England.
Scope of this consultation:	Housing costs for sheltered housing and extra care accommodation in England
Geographical scope:	These proposals relate to England only, though we would nevertheless welcome comments from respondees across Great Britain.
Impact assessment:	Public sector equality duty assessment has been completed as part of consideration of this policy.

Basic Information

To:	This consultation is aimed at supported housing commissioners and providers, developers and investors, residents and those who represent their views.
Body/bodies responsible for consultation:	The Secretary of State for Communities and Local Government and Secretary of State for Work and Pensions
Duration:	This consultation will last for 12 weeks from 31 st October (closing on 23 rd January)
Enquiries:	For any enquiries about the consultation please contact: supportedhousing.shelteredextracare@communities.gsi.gov.uk
How to respond:	You can email your response to the questions in this consultation to: supportedhousing.shelteredextracare@communities.gsi.gov.uk If you are responding in writing, please make it clear which questions you are responding to. Written responses should be sent to: Housing Support Division Fry Building,

2 Marsham St,
Westminster, London
SW1P 4DF

When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name,
- your position (if applicable),
- the name of organisation (if applicable),
- an address (including post-code),
- an email address, and
- a contact telephone number

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?**
- 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?**
- 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?**

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?'

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?

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?

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).

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

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.

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?

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?

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

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.

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?

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.

About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Communities and Local Government will process your personal data in accordance with DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

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

Scope of the consultation

Topic of this consultation:	This consultation seeks views on the design of the Government's new housing costs model to fund emergency and short-term supported housing in England.
Scope of this consultation:	Funding of housing costs for short-term supported housing.
Geographical scope:	These proposals relate to England only but we would nevertheless welcome comments from respondees from across Great Britain.
Impact assessment:	Public sector equality duty assessment has been completed as part of consideration of this policy.

Basic Information

To:	This consultation is aimed at local authorities, supported housing providers, developers and investors, residents and those who represent their views.
Body/bodies responsible for the consultation:	The Secretary of State for Communities and Local Government and Secretary of State for Work and Pensions.
Duration:	This consultation will last for 12 weeks from 31 st October (closing on 23 rd January).
Enquiries:	For any enquiries about the consultation please contact: Supportedhousing.shortterm@communities.gsi.gov.uk
How to respond:	You can email your response to the questions in this consultation to: Supportedhousing.shortterm@communities.gsi.gov.uk If you are responding in writing, please make it clear which questions you are responding to. Written responses should be sent to: Department for Communities and Local Government

Supported Housing Programme
Fry Building
3rd Floor
2 Marsham Street
London
SW1P 4DF

When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name,
- your position (if applicable),
- the name of organisation (if applicable),
- an address (including post-code),
- an email address, and
- a contact telephone number

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

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?

Strategic Plans and meeting local needs

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]**
- b) **Providers and others with an interest – does the authority (ies) you work with involve you in drawing up such plans? [Yes/No]**
- c) **All - how would the Supported Housing plan fit with other plans or strategies (homelessness, domestic abuse, drugs strategies, Local Strategic Needs Assessments)?**

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]**

- 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]**

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

- c) **Please comment**

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.

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.

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?

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?

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?

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

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.