



Portfolio Holder for Housing and Communities

Item

22 December 2017

Report of	Assistant Director Policy and Corporate	Author	Tina Hinson ☎ 506903
Title	Response to the Government's consultation paper "Funding Supported Housing"		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 The Government is proposing to change the way supported housing is funded. It originally consulted on this topic at the beginning of 2017 but those proposals would have had a significant negative effect on the future of supported housing. Since then the Government have worked with organisations from the supported housing sector (including providers, local authorities, charities and academics) to develop the funding model proposed in this new consultation.
- 1.2 This new consultation is recommending a new way of funding supported housing, according to the three main types of supported housing.
 - **Sheltered and extra-care housing** (usually for older people) – rents for this type of supported housing will continue to be funded through the welfare system. The Government is proposing a new "sheltered rent" based on a formula and capped at a certain level. Existing sheltered housing will be paid at the rent levels it is now; new supply will be subject to the new sheltered rent and the cap.
 - **Short term supported housing** (for those in crisis such as those fleeing domestic violence, homeless people with support needs or others with short term support needs) – rents will be funded by a local ring fenced grant to be held by County Councils. They will also commission the accommodation. The accommodation will be funded rather than the individual.
 - **Long term supported housing** (for those with long term needs such as people with learning or physical disabilities) - rents will continue to be funded through the welfare system but the Government will work with the sector to manage costs and ensure the best outcomes for tenants.
- 1.3 This new model of funding is proposed to come into effect from April 2020.
- 1.4 Alongside the new funding models a new strategic planning and oversight system will be introduced. For the Colchester Borough Council area this will mean that Essex County Council will be asked to provide a local supported housing plan to set out how funding will be used; undertake a needs assessment of current supported housing provision and future need for all supported housing groups and to develop partnerships with district and borough councils.
- 1.5 The consultation also includes a "National Statement of Expectation" which sets new oversight arrangements and the role expected of local authorities and includes 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.

2. Recommended Decision

2.1 To respond to the consultation paper as shown in Appendix A.

3. Reason for Recommended Decision

3.1 The consultation provides the Council with the opportunity to influence Government proposals about how supported housing and emergency accommodation will be funded in the future.

4. Alternative Options

4.1 To choose to not respond however, by not responding Colchester Borough Council would lose its opportunity to influence the outcome of the consultation.

5. Background Information

5.1 Councils have a responsibility to support, safeguard, care for and house vulnerable members of their community. The provision of supported housing is vital to ensuring vulnerable people live in suitable homes that meet their personal and all-round housing, health and care needs.

5.2 Supported housing can provide long term support for life for some vulnerable groups such as older people and people with learning disabilities or very short term immediate emergency help for when people are in crisis, such as use of hostels for people who are homeless and women's refuges for those experiencing or at risk of domestic abuse.

5.3 Supported housing is predominantly provided by social landlords, including housing associations and local authorities, as well as charitable and voluntary organisations. Some private sector "for profit" organisations also provide supported housing, both as landlords and/or support providers.

5.4 In the past, where an individual was entitled to housing benefit, this met the rent and service charge costs (where the local authority felt that they were reasonable and they complied with national rules).

5.5 The consultation sets out the Government's views on why they are seeking to reform the funding of housing costs for supported housing. These are:

- To secure supply now and in the future;
- To strengthen focus on outcomes, oversight and cost control; and
- To ensure it works with the modernised welfare system.

5.6 The Government has four key objectives in reforming the current funding model:

- People-focused: the funding model should ensure that local areas can provide the support vulnerable people need, ensuring they have good quality homes. It should also maintain a focus on outcomes including, where appropriate, facilitating timely move-on to independent living;
- Funding certainty: the model should provide certainty for developers in current and future funding in order to support the delivery of much needed new supply when and where it is needed;
- Flexible and deliverable: the model must be workable for commissioners and providers, including being simple enough to implement; and

- Value for money: the model should ensure that the costs represent value for money for tenants, and for taxpayers, whilst maintaining the long term sustainability of the sector.

- 5.7 The Government has set out in the consultation a new model of funding for supported housing dependent on whether it is sheltered housing for older people, short term supported housing for those in crisis or long term supported housing for those with long term needs.
- 5.5. **Sheltered and extra-care housing** (usually for older people) – rents for this type of supported housing will continue to be funded through the welfare system. The Government is proposing a new “sheltered rent” based on a formula and capped at a certain level. Existing sheltered housing will be paid at the rent levels it is now; new supply will be subject to the new sheltered rent and the cap. The social housing regulator will regulate the level of this rent to ensure costs are controlled.
- 5.6 **Short term supported housing** (for those in crisis such as those fleeing domestic violence, homeless people with support needs or others with short term support needs) – rents will be funded by a local ring fenced grant to be held by County Councils or unitary authorities/upper tier. They will also commission the accommodation. The accommodation will be funded rather than the individual. All rent and service charges which would have been met through housing benefit or universal credit in 2020/2021 will be allocated to upper tier authorities (Essex County Council) to meet local needs.
- 5.7 **Long term supported housing** (for those with long term needs such as people with learning or physical disabilities) – 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 for tenants.
- 5.8 **New strategic planning and oversight regime** – 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. For Colchester Borough Council and other Essex local authorities, this will mean that Essex County Council will be asked to take the lead. This new planning and oversight regime is proposed to include:
- Local strategic supported housing 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 rent and eligible service charges. This will see them acting in the same capacity as they currently do for rents without service charges for registered providers, using the existing powers of the Regulator. 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'.

6. Equality, Diversity and Human Rights implications

- 6.1 The government has completed its own public sector equality duty assessment as part of consideration of this policy.

7. Standard References

- 7.1 There are no particular references to financial; community safety; health and safety or risk management implications.

7. Strategic Plan References

- 7.1 The response has been written to reflect the Council's Strategic Plan 2015-2018: "Provide opportunities to increase the number of homes available including those that are affordable for local people".

8. Consultation

- 8.1 The consultation is being carried out by the Government under its Code of Practice on consultation.

9. Publicity Considerations

- 9.1 Colchester Borough Council's response to this consultation paper will be published on the Council's web-site and therefore available to the public and stakeholders.

Appendices

Appendix A (attached) – Colchester Borough Council's response to the Government's consultation paper "Funding Supported Housing".