

LGA/ADASS Joint Response to the Ministry for Housing, Communities and Local Government and Department for Work and Pensions Supported Housing Consultations

January 2018

Key Messages

1. Supported housing provides a vital bridge between housing, support, health and care. It helps people to live fulfilled and independent lives, engaged with local communities and with positive outcomes. It reduces cost pressures on public services by keeping people out of more costly health and care settings and providing the necessary support to address issues that might otherwise prevent independent living.
2. The LGA and ADASS welcomes the Government's decision not to apply the Local Housing Allowance Rate to supported housing or wider social housing. The consultation is an opportunity to strengthen local commissioning and deliver a sustainable funding solution that maintains and grows supply in accordance with local need.
3. The Government should ensure sufficient funding is provided through the proposed ring-fence grant for short-term supported housing now and in the long-term and agree to five-year grant settlements in order to give providers the certainty they need to continue investing in supported housing for people in vulnerable circumstances.
4. Councils need to be funded as soon as possible through the New Burdens process to evaluate need, develop strategic plans for supported housing in unitary and two-tier areas, and set up the ongoing systems needed to implement the proposed changes to short-term accommodation.
5. We encourage Government to work with providers and commissioners in setting sheltered rent levels that secure better cost control but adequately fund all of the housing costs, including the higher costs for extra care housing.
6. The proposed start date of April 2020 is very ambitious, particularly for short-term accommodation. There should be a two-year transition period with shadow allocations that will test the new funding model. Sufficient time should be allowed to properly involve councils (noting that the local government landscape in England is not consistent) in developing the detail, test the new

approaches in different places and get ready for implementation. We acknowledge the considerable concern amongst our partners about the potential impact of the short-term accommodation grant on funding refuge provision and will continue to engage with domestic abuse charities and other partners.

7. We look forward to LGA and ADASS being fully involved in the future work mentioned in the consultation document on strengthening the quality, value for money and cost control for long-term supported housing.
8. The future of supported housing funding should have regard to the wider context facing councils. In particular, the overall funding challenge facing councils, especially adult social care which funds the support element of supported housing, the availability of follow-on housing and welfare reform.

About the LGA

9. The Local Government Association (LGA) is a politically-led, cross-party organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government. It aims to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

About ADASS

10. The Association of Directors of Adult Social Services (ADASS) is a charity. Its members are current and former directors of adult care and social services and their senior staff. Its objectives include:
 - a. Furthering comprehensive, equitable, social policies and plans which reflect and shape the economic and social environment of the time
 - b. Furthering the interests of those who need social care services regardless of their backgrounds and status and
 - c. Promoting high standards of social care services

Summary

11. Supported housing provides vital support to people in vulnerable circumstances. Evidence from a range of sources demonstrates the importance of the physical properties of the building in which you live and its location on your mental and physical health, and by association, your ability to learn, work, interact socially, access essential services and thrive. These factors are especially important for preventing those already facing a disadvantage or a vulnerability from getting worse and needing more support.
12. The LGA and ADASS call for a vision for the role of supported housing in reducing reliance on high-cost state-funded institutions and increasing the personal independence of people in vulnerable circumstances, growing their resilience and wider ability to be part of their local community. The average estimated cost to DWP through housing benefit of a person spending a week living in supported housing is £122 compared with an average cost of £2,800 to the NHS for a week spent in hospital¹ or £540 per week in residential care.²
13. Housing makes an important contribution to different care pathways, including prevention, children in transition to adulthood and transfer of care or discharge planning from acute and non-acute NHS services. The LGA and

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr9_27-supported-accommodation-review.pdf

² <https://digital.nhs.uk/catalogue/PUB30121>

ADASS wish to see greater recognition of the role a stable and secure housing situation plays in keeping people healthy and independent and preventing ill health or injury. For example, the provision of high quality sheltered housing can incentivise older people to move to a home which can easily adapt to changing needs and helps to free up general housing stock. This reform is a further opportunity to strengthen how housing, health and social care provide joined-up support centred on the needs of people. It also provides greater potential for profoundly disabled working age adults to move from in-patient facilities to more community based housing options with appropriate support.

14. We welcome the Government's recognition that the diversity of supported housing makes it unsuitable to a uniform approach. However, different funding arrangements should not inhibit an individual being able to move between supported housing options. Ideally, an individual should be able to follow a pathway so, for example, if they enter the system because they have become homeless, all their needs can be assessed in order to determine what follow-on housing and support is needed, which may well be longer-term supported housing if they also have an underlying mental health issue, are diagnosed as having a learning disability that they need support with, or that they have a drugs and alcohol abuse issue, or they are a veteran in need of specialist support.
15. Pooled budgets and individual personal housing budgets are a logical extension of the greater opportunities presented from a stronger focus upon social housing. Noting that their inclusion with, or alignment to, social care and health funds potentially creates even further opportunity for improved choice and control for individuals.
16. The Government's proposals to reform supported housing funding should be set within the context of the significant funding pressures facing local government and the interrelationship between supported housing and other policy agendas.
 - a. **Funding pressures** – Councils currently fund just over one quarter of the cost of supported housing (£1.3 billion out of £5.1 billion). Local government as a whole is facing acute financial pressures which means there can be no expectation that councils will fund a shortfall in supported housing funding. Between 2010 and 2020, councils will have seen reductions of £16 billion to core Government funding.³ Local services face a funding gap of at least £5.8 billion by 2019/20 and a £1.3 billion pressure to stabilise the adult social care provider market today.⁴ Many councils have already been forced to reduce funding for supported housing. The Government's consultation only covers housing costs, but supported housing relies upon people receiving the care and support they need to remain independent. Adult social care budgets are under enormous strain. The Spring Budget £2 billion for social care, which reduces from £1 billion in 2017/18 to £330 million in 2019/20, while welcome, does not cover the significant funding gap faced by adult social care.⁵
 - b. **Housing and planning** - The lack of available and appropriate general needs social and private housing for people to move onto is putting pressure on supported housing provision. There is also a significant

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https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf

⁴ <https://www.local.gov.uk/adult-social-care-funding-state-nation-october-2017>

⁵ <https://www.local.gov.uk/adult-social-care-funding-state-nation-october-2017>

undersupply of homes suitable for older people and people in vulnerable circumstances. To increase the supply of more affordable homes in the long-term the Government should lift the housing borrowing cap across the country and allow all councils to borrow to build. The LGA Housing Commission final report *Building our Homes, Communities and Futures* encourages health and wellbeing boards to work across local government bringing together planning, health and care partners to develop collective strategic ambition for delivering housing.⁶ The provision of short-term housing for people in crisis is particularly important for councils working to reduce homelessness. In 2016/17 councils ended homelessness for over 2,400 people through placements into supported housing. The availability of placements will be critical for delivering the ambitions of the Homelessness Reduction Act. Planning arrangements are fragmented across the new requirements under the Act. Aligning requirements for joint working would be helpful in developing local frameworks for delivery.

- c. **Welfare reform** – The reform of supported housing sits alongside the rollout of Universal Credit. The Government has removed short-term accommodation from the welfare system partly in recognition of its incompatibility with Universal Credit. Short-term supported housing residents might still interact with Universal Credit. For example, people might still be eligible for non-housing Universal Credit. We need to ensure that people living in short-term accommodation still receive appropriate advice and support to help them manage paying monthly rents when they move onto general housing. We need clarity on the implications of the Universal Credit rollout for adults in long-term supported housing provision who will continue to receive housing benefit.

Sheltered and Extra Care Accommodation (Annex A)

17. The LGA and ADASS broadly support the proposal to introduce a new sheltered rent and to keeping all funding for housing costs (rent and eligible service charges) within the welfare system. There are important details to work through and councils need to be fully involved.
18. The main points we would like to highlight are:
 - a. Demand for this type of supported housing will increase as both the numbers of older people increase and adults of a working age with profound disabilities, especially the over 80s, who are more likely to be frail and need the higher level of assistance provided by extra care housing.
 - b. We recognise the importance of securing better cost control and value for money, but the overriding objective should be to ensure the necessary supply of quality accommodation for older people and working age disabled adults with disabilities and different levels of need. Clarifying definitions should not lead to a narrowing of what is currently commonly understood as sheltered housing.
 - c. The level of gross eligible rent needs to reflect the total housing costs, including service charges, and local variation in costs. This should recognise the higher cost of extra care provision. Given the funding challenges facing local government, there can be no expectation that councils will make up a shortfall in funding.
 - d. We support the principle of a simple banded approach. A separate extra care rent with an appropriate cap is needed in order to reflect the higher costs of this type of housing, encourage investment and ensure

⁶ <https://www.local.gov.uk/topics/housing-and-planning/housing-commission>

- sufficient supply as the number of older people with care needs increases.
- e. It is important to note that some working age adults with disabilities live in sheltered and extra care accommodation. The new approach should facilitate mixed tenure developments.
 - f. The future funding of sheltered and extra care housing costs is inextricably bound up with the acute funding pressures facing adult social care. The total supported housing package needs to be adequately funded, including the rent, eligible housing related costs, support and care.

Short Term Accommodation (Annex B)

- 19. We support the Government's intention to strengthen the local commissioning and oversight of supported housing in both unitary and two-tier areas. It makes sense to remove this category of supported housing from the welfare system because of the incompatibility between the short-term nature of this type of housing and the length of the standard turnaround time for a Universal Credit application. It is helpful that Government has agreed that in the first year all current housing benefit costs for short-term accommodation will be transferred to councils, however future allocations should reflect locally determined needs for health, social care and housing and allow for change and growth in supply.
- 20. The main points we would like to highlight are:
 - a. Our key concern is that the overall Ministry for Housing, Communities and Local Government (MHCLG) ring-fenced grant to councils (both individually and collectively) is sufficient to meet demand for short-term supported housing for people in vulnerable circumstances now and in the future.
 - b. The ring-fence should be guaranteed in the long-term and the Government should commit to a five-year funding settlement with provision for growth and inflation built into it. This is essential to give councils, providers and partners the certainty to invest in future provision and keep pace with demand.
 - c. Given the funding pressures facing local government, there can be no expectation that councils will make up a shortfall in funding now or in the future. By ring-fencing the grant, the Government has accepted responsibility for the funding being adequate.
 - d. Councils need local flexibility in applying the two-year limit in circumstances where the sudden ending of funding would be disruptive and costly. This is dependent upon the availability of follow-on housing and the fact people in crisis might move in and out of supported housing.
 - e. Due to the complexity of this policy change, there should be a two-year transition period from April 2020 with shadow allocations in order to properly involve councils in developing the detail and robustly test the new funding regime. We would particularly welcome the opportunity to work with Government on supportive guidance that works across the local government landscape in England.
 - f. The provision of short-term housing for people in crisis is particularly important for councils working to reduce homelessness.
 - g. The Government has recognised that arrangements for people fleeing domestic violence will need to reflect the review of refuge provision in England that is expected to report in November 2018.
 - h. The future funding of short-term supported housing costs is inextricably bound up with the acute funding pressures facing adult social care. The

total supported housing package needs to be adequately funded, including the housing costs, support and care.

Long Term Accommodation (Annex C)

21. Although this is not part of the consultation, we note the Government's intention to carry out further work on how best to strengthen quality, value for money and cost control for working age adults in long-term supported housing. It is essential that local government, including ADASS, are fully involved in scoping and influencing this work and that there is a joined-up approach from MHCLG, DWP and the Department of Health and Social Care.

National Statement of Expectation for Supported Housing Funding (housing costs)

22. Councils have expressed an interest in clear and practical non-statutory guidance to support commissioning and enable them to navigate the new approach to funding supported housing. It should not be overly prescriptive and should be sufficiently flexible to reflect local circumstances, such as devolution progress. A shared vision will help local areas to develop supported housing outcomes that are specific to localities.
23. We are pleased that a number of suggestions made by the LGA and ADASS at the Task and Finish Groups have been reflected in the draft national statement of expectation. In particular, the importance of carrying out a needs assessment to ensure funding reflects demand and recognition of the role Health and Wellbeing Boards play in supporting integration across housing, health and social care. The potential to reconcile strategic plans for social housing alongside future plans for the Better Care Fund and Disabled Facilities Grant guidance and allocations should not be missed.
24. We look forward to being fully involved in further developing the national statement of expectation, building upon our engagement to date with the Task and Finish Groups.
25. The main points we would like to highlight are:
 - a. The requirement for councils to develop a Strategic Supported Housing Plan that encompasses health, social care and housing, map existing provision, carry out a needs assessment and an audit of future provision are New Burdens which should be properly resourced. This should include the ongoing costs to councils of administering the short-term supported housing grant.
 - b. National monitoring by central government should assist assurance on value for money, confirmation that funding is being used for the intended purpose and ongoing evaluation of the impact. However, it should be proportionate and allow sufficient flexibility for local monitoring.
 - c. We have some concerns about what is meant in the consultation by 'fair access to funding'. We should avoid 'cost-shunting' onto councils, who will only have a limited ring-fenced budget to provide short-term accommodation and are reliant upon sufficient Government funding through the welfare system to commission supported housing for older people and working age adults. We need to avoid anything that gives a disincentive to organisations that are currently investing in helping people in vulnerable circumstances.
 - d. Health and Wellbeing Boards are an existing mechanism to bring together partners to explore how housing could be better incorporated and considered as the foundation of good health. They are also local

system lead forums for the Better Care Fund (BCF). There appears to be a clear role for Health and Wellbeing Boards to have an oversight of the need for and provision of supported housing, if they do not do this already. It would be helpful for any guidance to encourage the full engagement of local health partners in supported housing, in line with *Improving Health and Care Through the Home; A National Memorandum of Understanding*⁷. This is essential as the Government strives for greater integration across health and social care and for effective joint commissioning to realise the full preventative benefits of supported housing and potential to save the health and social care system money.

- e. Some councils might prefer to embed supported housing in other local strategies and plans. As long as councils can demonstrate to Government that they have clearly articulated plans in place for supported housing and can meet the grant conditions in relation to short-term accommodation, there should not be a requirement for a stand-alone plan.
- f. Any guidance needs to reflect that supported housing should be a part of both the BCF programme and the Sustainability and Transformation Plans (STP) being developed by NHS England and encourage local health and care system leaders to incorporate supported housing plans into their STP.
- g. Any new national statement will need to complement existing frameworks, such as the Home Office [National Statement of Expectations](#) on Supporting Local Commissioning on violence against women and girls published by the Home Office in December 2016.

⁷https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Other_reports_and_guidance/A_Memorandum_of_Understanding_MoU_to_support_joint_action_on_improving_health_through_the_home.pdf Please note the MoU is currently being updated.

Annex A – Consultation on housing costs for sheltered and extra care accommodation

***Supported Housing Sheltered Extra Care** – the Government says this accommodation is typically for older non-working age people (although they acknowledge in certain circumstances it can be available for young people). The Government suggests housing costs are low to medium and there are likely to be high levels of future demand. The Government proposes a new ‘Sheltered Rent in 2020’, a type of social rent, which keeps funding for sheltered and extra care housing in the welfare system.*

Question 1:

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?

1. Demand for this type of supported housing will increase as the numbers of older people increase. Over the next 20 years, the total number of people 65 and over is estimated to grow by 48.9 per cent, which amounts to around 4.75 million people. The fastest growing group will be those aged 85 and over with the numbers projected to increase by 113.9 per cent, from nearly 1.3 million people to just under 2.8 million in 2035/36.⁸ Therefore, we need to plan for a particularly sharp increase in the numbers of people in their eighties and beyond wanting extra care accommodation as an alternative to a residential care home. Ensuring good quality sheltered housing that meets market need will help ensure appropriate and sufficient supply and will also encourage people in their 50s and 60s to plan ahead and move to homes that can easily be adapted to older age.
2. The proposed introduction of a sheltered rent for sheltered and extra care accommodation, and the possibility of banding to reflect different levels of need, means that clear and consistent definitions are required. The starting point should be an assumption that accommodation currently commonly defined as sheltered housing will continue to be regarded as such. Otherwise there is a risk that provision will reduce as a result of narrower definitions. The definition of extra care, upon which a higher rate of sheltered rent should be calculated (see question 4 below), should reflect the higher housing needs of people living in this type of accommodation. Government should consult with councils and providers to agree clear and consistent definitions that maintain existing provision, support growth and reflect the higher housing costs of extra care accommodation.
3. Extra care housing provides an alternative to traditional retirement and care homes, offering onsite care options that can respond flexibly to increasing need while helping older people retain their independence. The benefits to individuals and public services can be significant with one study suggesting

⁸ https://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Research/The_Health_and_Care_of_Older_People_in_England_2016.pdf?dtrk=true

residents living in Extra Care save the NHS £1,115 a year per person, a reduction on NHS spend by 38 per cent.⁹

4. It is important to note that not all councils distinguish between sheltered and extra care accommodation for older people, preferring “retirement housing”. Indeed older people’s housing is not always managed separately, with some places leading a ‘balanced care profile’ with mixed tenure schemes including older people and working age adults. When developing the detail of the sheltered rent, we need to avoid anything that might disincentivise mixed tenure schemes. On balance, however, we recognise the need to breakdown this category into sheltered and extra care.

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?’

5. Though demand is strong for older people’s supported housing, the expansion of extra care provision in particular can be significantly constrained by large upfront costs and challenges for buyers to access finance and afford high service costs.
6. Councils and housing associations are working to support the development of extra care schemes. Local efforts to get schemes off the ground often involve the innovative use of public land and bringing together a range of funding and borrowing. While there has been some welcome support from government, uncertainty and shifts in funding can hamper local efforts to increase the supply.
7. The LGA broadly supports the proposal to introduce a new sheltered rent and to keep all funding for housing costs (rent and eligible service charges) within the welfare system. The social housing regulator should be proportionate in how it regulates the sheltered rent and not place undue burdens on councils. The level of gross eligible rent needs to reflect the total housing costs, especially for extra care provision, and local variations in cost. It should be uprated to take account of inflation. Given the funding challenges facing local government, there can be no expectation that councils will make up a shortfall in funding. Clarifying definitions should not lead to a narrowing of what is currently commonly understood as sheltered housing.
8. The overriding objective in designing sheltered rent should be to ensure the necessary supply of quality accommodation for older people with different levels of need. We encourage Government to work with providers and commissioners in setting sheltered rent levels that secure better cost control but adequately fund the totality of the housing costs. The National Statement of Expectation will help councils to work with providers in developing value for money and quality indicators.
9. In particular, the cap needs to be set at a reasonable level to encourage building and investment. This is particularly an issue for extra care accommodation, because of the higher housing costs. If the rent and cap are

⁹ <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

set too low, there will be less investment in new supply. This is why we argue below in favour of a banded approach.

10. We have already highlighted the expected increase in demand for extra care accommodation. The percentage of people with at least one difficulty undertaking a daily life activity increases from 16.4 per cent at age 65 to around half of those aged 85. By people's late 80s, over one in three people have difficulty undertaking five or more activities of daily living.¹⁰ Older people living in extra care rely upon social care services to provide the daily assistance that enables independent living. With adult social care facing a £2.3 billion funding gap by 2019/20, we urge the Government to use the forthcoming adult social care green paper to deliver the fundamental change that will lead to long-term sustainability for care provision in supported housing and the wider sector.¹¹
11. The Government's commitment to return to CPI+1 per cent for social rents from 2020 to 2025 provides some degree of certainty. The 1 per cent year on year reduction of social rents from 2016 had a dramatic impact on councils' and housing associations' building and business plans. Long term certainty is crucial, we would urge the Government to commit to at least CPI+1 per cent rents beyond 2025

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?

12. Providers are best placed to respond to this question. From a local government perspective, the key point is that there is clarity on the definition of eligible service charges within sheltered rent and value for money is balanced with the need to adequately fund the higher costs of extra care provision.

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?

13. Sheltered and extra care housing covers a broad spectrum of need from older people who want the peace of mind provided by an emergency alarm or warden through to those who need a high level of domestic and personal social care to continue living independently. Extra care accommodation costs more to build than sheltered accommodation because of the need for more physical space and has higher maintenance costs because there are usually more communal areas and more equipment.
14. Therefore, we support the principle of a simple banded approach in order to reflect the higher costs of extra care housing. If the same level of sheltered rent was applied to sheltered housing and extra care housing, this would not recognise the higher costs of extra care housing, would risk the viability of

¹⁰ https://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Research/The_Health_and_Care_of_Older_People_in_England_2016.pdf?dtrk=true

¹¹ <https://www.local.gov.uk/about/news/lga-responds-social-care-green-paper-announcement>

existing schemes and completely disincentivise future investment in supply leading to unmet need from vulnerable older people.

15. Councils, providers and the Government need to undertake detailed work on how to ensure a banded system reflects the range of costs and any geographic variation, but does not become overly complicated and expensive to administer.

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).

16. This is an issue for providers to comment on, but we note the need for certainty about what will be classified as an eligible service charge before they can commit to new projects.

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

17. This is an issue for providers to comment on.

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.

18. The draft National Statement of Expectation recognises that people are living longer and the way we live, work and socialise is changing. The consultation seeks views on the following proposals in the Housing White Paper for older people's housing:

- a) Strengthening the National Planning Policy Framework (NPPF), so that local planning authorities are expected to have clear policies for addressing the housing requirements of groups with particular needs, such as older people and those with a disability.

19. The LGA's view is set out in full in our [consultation response](#) to the White Paper. In summary, the NPPF already states that local planning authorities should plan for the housing needs of different groups including older people and people with disabilities. We highlight an opportunity to reform the way accessible homes are treated in relation to the development of local plan policies. We also make the point that planning policies are only part of the picture. Our [Housing Commission](#) report puts forward a number of recommendations on further integrating health and social care in ways that improve wellbeing and reduce demand on care services.

- b) The Neighbourhood Planning Act 2017, which introduced a new statutory duty on the Secretary of State to produce guidance for local planning authorities on how their local development documents should meet the housing needs of older people and those living with a disability.

20. The LGA has worked with MHCLG to inform the development of guidance to support local planning authorities to plan for an ageing population, however they have very few levers to ensure that developers build homes that support population ageing.

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?

21. We are already seeing a step-change towards commissioning across service boundaries, particularly on health and social care. Health and Wellbeing Boards bring together different commissioning bodies to take joint decisions on priorities based on evidence and local circumstances. They are an existing mechanism to bring together partners to explore how housing, including sheltered and extra care, could be better incorporated and considered as the foundation of good health.
22. Sustainability and Transformation Plans (STPs) are setting out a local place-based perspective on the future financial resilience of the health service and the road towards integration. Proposals for the future of supported housing and growth should be incorporated into STPs. For example, supporting housing can provide step-down care from health services, particularly mental health, allowing those recovering from mental illness to move out of hospitals and allowing councils meet their statutory duties under section 117 of the Mental Health Act 1983.

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?

23. We welcome the Government's decision to delay the implementation of the reform. Due to the complexity of the changes for short-term supported housing in particular, we call for a two-year transition period. The Government should carry out a full impact assessment, including any legal implications for councils arising from the policy changes.
24. Councils are keen to understand a detailed implementation timeframe as soon as possible. The proposals will involve transition and change within councils' housing and social care departments. Arrangements should be flexible enough to work within a range of local contexts.
25. There are a number of detailed issues to work through around defining this type of housing, the setting of the sheltered rent and any bands and the treatment of eligible service charges. We look forward to councils being fully involved in this work.
26. It is essential that the proposed sheltered rent (s) is robustly tested in a number of different areas, for example, single and two-tier areas and in an area with a Combined Authority. There should be enough time to learn from the testing phase before rollout.

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.

27. This is an issue for providers to comment on.

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?

28. In line with the coordinated approach to sector-led improvement (SLI) across local government, the sector is already leading improving housing outcomes and sharing good practice.

29. SLI is based on the underlying principles that local authorities are:

- a. responsible for their own performance
- b. accountable locally, not nationally
- c. there is a sense of collective responsibility for the performance of the sector as a whole, and
- d. the role of the LGA and ADASS is to provide tools and support.

30. The LGA helps local authorities continue their own improvement journey, makes available a support offer and contributes to the improvement of local government as a whole. For example, the LGA's Housing Advisers Programme has been designed to help councils meet the housing need of their local area. Flexible and locally-led, the new programme funds an independent expert for up to 20 days, providing bespoke support to a local authority project to deliver homes, reduce homelessness, or generate savings or revenues. It is supporting a number of areas to understand and develop the market of housing supporting vulnerable and older people. The LGA has also completed a project with the Housing LIN on good practice from councils in Housing an Ageing Population¹².

31. The LGA and ADASS deliver the Care and Health Improvement Programme (CHIP) supported by funding from the Department of Health and Social Care. Through regional and specialist subject advisers, CHIP provides support to councils and Directors of Adult Social Services on supported housing policy, strategy, scheme development, sharing good practice, and evidence based success.

¹² <https://www.local.gov.uk/housing-our-ageing-population>

Annex B – Consultation on housing costs for short-term supported accommodation

Supported Housing Short Term Accommodation – the Government defines this 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.” It includes emergency accommodation for people in crisis and short term transitional housing. Government thinks there are high expectations for people to move into unsupported accommodation, the housing costs are high and there are likely to be low levels of future demand. The Government proposes introducing a long-term and retained ring-fenced grant to councils for them to commission short-term supported housing. The grant will cover all costs previously met through housing benefit (including rent and eligible service charges). It will fund the provision rather than the individual so tenants in short term accommodation no longer pay rent.

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

1. Councils operate with very different models of funding and definitions for short-term supported housing. The Government’s proposed groups of people who would be eligible for short-term accommodation are sensible, but further work is needed to determine how much consistency there currently is across local government and how people with multiple needs will be reflected. This should be picked-up by the needs assessment. A shared understanding is essential because this is the basis upon which the ring-fenced grant funding will be determined.
2. We understand the desire to allocate a time limit on eligibility for financial support in short-term housing. We are keen to understand the reasons for suggesting a two-year limit. Councils will always aim to help people move onto longer-term housing as soon as possible. At the same time, this is very much linked to the availability of follow-on housing, which to a significant extent is dependent on the local housing market. Equally, people’s needs are complex and a person may move in and out of crisis accommodation. We need clarity on whether the time limit is continuous, reset when a person leaves and re-enters housing, or whether it follows the person. Consideration should be given to any perverse incentives from either approach. The model needs to allow councils the flexibility to take a pragmatic approach to enforcing the two-year limit in circumstances where the sudden ending of funding would be disruptive and costly.

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

3. We support the Government’s intention to strengthen the local commissioning and oversight of supported housing. It is helpful that Government has agreed that in the first year all current housing benefit costs for short-term accommodation will be transferred to councils. This will mean that in year one, all providers will be funded at the same level. It will be important that future allocations through the proposed ring-fenced grant reflect the results of local needs assessments, not just current housing benefit costs, so that councils can meet local need and grow supply where needed.
4. The ring-fenced grant for councils covering short-term accommodation should be sufficient now and in the long-term to meet local need, with an allowance for projects in the pipeline. The amount of funding should be transparent and clearly identifiable. We note the Government’s commitment to protect the ring-fence in the long-term. Insufficient ring-fenced grant funding is a

significant risk to councils. Councils will be unable to fund any shortfall in Government grant. We should avoid repeating the experience of the Supporting People programme when the removal of the ring-fence resulted in significantly less funding for supported housing and a consequent reduction in provision for people in vulnerable circumstances.

5. We call on Government to commit to a five-year grant settlement in order to give providers the certainty they need to continue investing in short-term supported housing for people in vulnerable circumstances. As the Government proposes asking councils to set out plans for meeting supported housing need over five years, this should be the length of time covered by the ring-fenced grant. Through the twice yearly monitoring, we need a mechanism to respond to changes in local need during the five-year period, in particular to reflect a need for growth in supply and to take account of inflation.
6. As the Government works with councils to develop the detail, we need further clarity on how provision to grow supply will be reflected in the funding model so that councils are not left facing a future funding gap. Given the overall funding challenges facing councils, there can be no expectation that councils can meet any shortfall now or in the future.
7. Councils should be funded as soon as possible through the New Burdens process to properly evaluate need on an ongoing basis and to set up the systems needed in order to implement the proposed changes to short-term accommodation. In particular, there is no detail on the mechanism for checking people's eligibility for the new short-term accommodation grant.
8. The short-term accommodation grant needs to be future proofed to take into account how greater devolution would impact upon a ring-fenced grant for short-term supported housing.
9. The Government has recognised that arrangements for people fleeing domestic violence will need to reflect the review of refuge provision in England that is expected to report in November 2018. It is therefore possible that the current proposal for refuge provision to be part of the short-term accommodation grant will change.
10. We acknowledge the considerable concern amongst our partners about the potential impact of the short-term accommodation grant on funding refuge provision, including those with additional needs such as older and disabled people who have experienced domestic abuse where provision to meet need is already in short supply. It is essential that the Government provides adequate ring-fenced funding now and in the future, so that councils and partners can secure short-term housing for all people in vulnerable circumstances with support needs.
11. Councils will continue to do all they can working with the voluntary sector, health partners and the police to ensure that people in crisis with support needs, including those fleeing domestic violence, are helped to find safe short-term accommodation with appropriate support. Councils are used to working collaboratively and across boundaries to secure emergency placements, for example for foster care and other temporary placements. Where councils take a regional or sub-regional approach to pathways for victims of domestic abuse, the LGA and ADASS would look to share best practice across local government. Councils will work closely with domestic abuse charities and other partners to establish local commissioning arrangements and we would

welcome further discussion on the potential implications for individuals in provision currently funded by Housing Benefit.

12. The commissioning of short-term accommodation sits alongside other support for people fleeing domestic violence. For example safeguarding children, adult safeguarding, finding safe long-term accommodation, commissioning Independent Domestic Violence Advisers and mental health services, alongside whole family approaches such as the Troubled Families programme. Greater flexibility and local commissioning of short-term supported housing will help to strengthen the focus on a person's whole pathway from crisis point to long-term stability.

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)?**

13. Some councils might prefer to embed Supported Housing in other local strategies and plans. As long as councils can demonstrate to Government that they have clearly articulated plans in place for supported housing and can meet the grant conditions in relation to short term supported housing, there should not be a requirement for a stand-alone plan.

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**

14. The most important issue for councils in this consultation is that the ring-fenced short-term accommodation grant is sufficient now and in the future. The national funding pot, from which individual council allocations will be determined, will be based upon an audit of existing supply, a needs assessment by client group and an audit of projected demand. It is important that the grant for short-term accommodation is determined by local need, not just the current spend on housing benefit. Otherwise there is a significant risk that funding will not keep pace with the need to grow supply.
15. Councils will draw upon existing sources of information, such as the Joint Strategic Needs Assessment, but additional work will need to be undertaken in most places. It will involve the processing and comparison of different data sets across Housing Benefit teams, housing and social care departments. It will also involve working with a range of local housing providers and other agencies to review costs, tenants and properties. Councils should be fully reimbursed for the additional work through the New Burdens process. Councils need access to the Housing Benefit data as soon as possible and enough time to complete the exercise.

16. The methodology for mapping should be developed in agreement with councils and providers and ensure that allocations reflect changing demographics, provision and need over time, including allowing for supply to expand to meet need.
17. Councils have the responsibility under the Care Act to develop '[Local Market Position Statements](#)' that have to set out:
 - a. What support and care services people need and how they need them to be provided
 - b. The support and services available at the moment, and what is not available but needs to be
 - c. What support and care services the council thinks people will need in the future
 - d. What the future of care and support will be like locally, and how it will be funded and purchased
 - e. How commissioners want to shape the opportunities that will be available.
18. Given the expectation on councils to determine who is most in need, the most suitable interventions for a range of needs and how housing, support and care can best support those needs, we think this should be based on the model of the 'Local Market Position Statement'. [Councils](#) are already publishing housing and supported living-related market position statements.

Question 5: 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.

19. As set out in the LGA Housing Commission [Final Report](#), all councils (upper tier, lower tier and unitary) have responsibilities for planning, housing, social care and public health, as well as playing a strategic role in partnership with clinical commissioning groups and others in the planning and provision of healthcare services. They are therefore well placed to proactively plan for meeting the housing, care and health needs of their (ageing) populations. In two tier areas, local housing authorities are increasingly engaged to help ensure that housing solutions are part of the broader health and wellbeing focus in local areas.
20. There are a variety of local models already in action and the funding should allow for maximum flexibility and innovation, with an assumption that it will facilitate partnership working. There should be sufficient flexibility for councils to decide how best to organise the funding, including through Combined Authorities where this is felt to be the most appropriate option.

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.

21. The requirement for councils to develop a Supported Housing Plan, map existing provision, carry out a needs assessment and an audit of future provision is a New Burden which should be properly resourced. This should include the ongoing costs to councils of administering the short-term supported housing grant.

22. We have some concerns about what is meant in the consultation by 'fair access to funding'. We should avoid 'cost-shunting' onto councils, who will only have a limited ring-fenced budget to respond, and anything that gives a disincentive to organisations that are currently investing in helping people in vulnerable circumstances.

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?

23. This is a particular issue for people fleeing from domestic abuse. As the Government recognises, the funding model will need to take into account that domestic abuse victims may need to move in and out of crisis accommodation, particularly if a partner manages to locate them. As such, the funding model needs to be respectful of existing reciprocal arrangements between councils over refuge provision. It is important that the proposals do not destabilise these arrangements or create confusion, which might lead to an overall reduction in provision.

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?

24. Some councils already commission accommodation and support as a joined-up package. It is important that the Government's proposals do not threaten innovative ways of providing care and housing. Government can best guard against this by ensuring councils and local partners have the local flexibility to seek opportunities for greater collaboration and innovation through local commissioning across the public sector, including strengthening the links between health, housing and social care.

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?

25. We welcome the Government's decision to delay the implementation of the reform. Given the complexity of the change, there should be a two-year transition period from April 2020 with shadow allocations so that Government can be sure the funding is sufficient. It should be flexible enough to work within a range of local contexts.
26. Government should undertake an impact assessment, including any potential legal issues for councils arising from the policy changes. Councils are keen to understand a detailed implementation timeframe as soon as possible. The proposals will involve transition and change within councils' housing and social care departments.
27. There are a number of detailed issues to work through around the new ring-fenced grant, particularly designing the detailed features of the grant and agreeing a methodology for the needs assessments that takes into account the need to grow supply. We look forward to councils being fully involved in this work.
28. It is essential that the proposed grant is robustly tested in a number of different areas, for example, single and two-tier areas and in an area with a

Combined Authority. There should be enough time to learn from the testing phase before rollout.

29. The LGA can help to identify and share good practice in the pilot phase for difficult vulnerable groups such as ex-offenders.

Annex C Long term working age adults supported to live independently

1. The decision to leave supported housing costs for working age adults in the welfare system recognises the wide range of needs, the complexity of funding arrangements and the uncertainty on supply caused by the previous proposal to apply the Local Housing Allowance rate to supported housing.
2. In our February 2017 response to the Government's previous consultation on supported housing, we highlighted the impact of this uncertainty on those with a learning disability and/or autism and behaviours that challenge, who are part of the cross-sector Transforming Care Programme.
3. While the absence of reform has helped to stabilise the provider market for this type of housing, we note the Government's intention to carry out further work on how best to strengthen quality, value for money and cost control for working age adults in long-term supported housing. It is essential that local government, including Directors of Adult Social Services, are fully involved in scoping and influencing this work and that there is a joined-up approach from MHCLG, DWP, the Department of Health and Social Care and NHS England.
4. Councils have highlighted to us that while there are clearly benefits to removing long-term housing from immediate reform, the sector is experiencing financial pressures now. The prospect of future reform to one type of supported housing after implementing changes to sheltered/extra care and short-term accommodation is potentially disruptive to councils' ability to take a strategic overview of housing supply.