



Department for  
Communities and  
Local Government



Department  
for Work &  
Pensions

# Funding Supported Housing:

Policy Statement and Consultation



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# Ministerial Foreword

Supporting the most vulnerable people in our society is a priority for the Government, and we value the important role that supported housing plays. We are committed to protecting and boosting the supply of supported housing. It is also an integral part of the wider social housing sector, which we will be reviewing through the upcoming Social Housing Green Paper.

We recognise that we need to make some changes to the way in which supported housing is funded. Local areas don't have sufficient control or oversight of provision and it is not always possible to ensure value for money for tenants or the taxpayer. As demand for help to live independently grows, we also need a funding model that is fit for the future and can support the delivery of new much needed supply as well as making best use of existing supported homes.

In the Autumn Statement 2015, we announced our intention to apply the Local Housing Allowance rates to social rents, including supported housing, with effect from 2018. The implementation date was subsequently deferred to April 2019.

Since then, we have listened carefully to the concerns raised by the social housing sector and other key stakeholders about the issues that this measure would present. As the Prime Minister has recently announced, in response to those concerns the Government will not apply the Local Housing Allowance rates to tenants in supported housing, nor to the wider social rented sector.

Last year we also committed to reform the funding of housing costs for supported housing. Since then we have worked with many from the supported housing sector (including providers, local authorities, charities and academics) to develop a fully sustainable funding model. We are pleased to announce today that we have heard their views and concerns, and we are bringing forward a flexible funding approach that works for this very diverse sector.

What has been clear through our conversations is that a one-size-fits-all approach will not work and our new funding regime is tailored to the three main types of supported housing:

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

Sheltered housing and extra care will continue to be funded in the welfare system, and we will be introducing a 'Sheltered Rent' from April 2020, a type of social rent that recognises the vital role that these homes play in supporting older and vulnerable people and acknowledges the higher costs of these types of housing compared to general needs housing. This will see gross eligible rent (rent inclusive of eligible service charges) regulated by the social housing regulator. We will set appropriate rates for sheltered and extra care housing costs, established in consultation with the sector. Welfare

arrangements for people living in all types of supported housing will apply across Great Britain, but rent policy is a devolved matter for the Scottish and Welsh Governments.

Short-term supported housing will be funded through a new ring-fenced grant to local authorities in England. 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. In Wales and Scotland, an equivalent amount will be provided and it will be for those administrations to decide how best to allocate funding.

Long-term supported housing will remain funded via the welfare system, as it is currently. While this provision will continue to be funded by the welfare system, we will work with the sector to manage costs and ensure the best outcomes for tenants, whilst providing the sector with the certainty of future funding that it needs.

We are also seeking to improve local planning for supported housing and commissioning across service areas and have set out proposals for a National Statement of Expectation and local level strategic planning to underpin the new funding regime. This will support better, joined-up working across local areas to deliver the best outcomes for vulnerable people, to ensure that public funding is being used effectively and efficiently, and to plan for new supply to meet future demands.

These important and necessary changes will take time to implement, and it is crucial that the support provided to people is not interrupted or put in doubt, which is why these changes will now commence from April 2020 rather than April 2019.

It is our aim through making these changes to provide funding security to providers by allowing them to make long term investment decisions and therefore secure future supply. These changes will also ensure value for money for the taxpayer, enable councils to have a stronger role in providing appropriately for their local areas, and support better outcomes for tenants.

We are keen to ensure our proposals will work for the sector and welcome your views in the two consultations launched today.

We have also considered the important role of refuges and calls from some of the sector to nationalise the funding and commissioning of this. The Government was clear in its Violence Against Women and Girls (VAWG) Strategy that refuges provide a vital service. We appreciate the need for certainty and we strongly believe that a local approach will ensure the best outcomes for vulnerable renters in crisis and emergency supported housing. Local authorities are best placed to understand and meet local needs, and to take a holistic view on both housing and support provision. The Government has already committed (in the 2016/20 Violence Against Woman and Girls Strategy) to review the current approach to refuge provision in England by November 2018. We will need to pay particular attention to the funding of care and support costs as we do this, and will continue to work closely with this sector to make good our commitment.

It is vital that we continue to support the most vulnerable in our society, and have a sustainable supported housing sector which is fit for the future, providing value for money for those that pay for it and, most importantly, positive outcomes for those who call it home.

**Minister for Local Government**

**Parliamentary Under Secretary of State  
for Family Support, Housing and Child  
Maintenance**

**Marcus Jones MP**

**Caroline Dinenage MP**



**October 2017**

# Section 1: Policy Statement

## Chapter 1: Supported housing: a case for change

### What is supported housing?

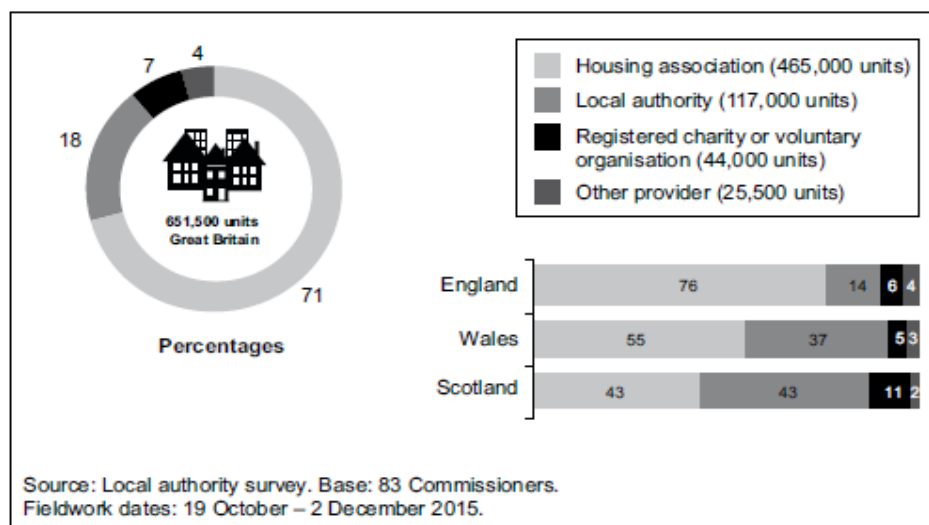
1. One of the Government's most fundamental roles is to protect the most vulnerable people in our society. Strong and sustainable supported housing is vital to help underpin this obligation.
2. Supported housing is any housing scheme where accommodation is provided alongside care, support or supervision to help people live as independently as possible in the community.
3. It covers a range of different housing types, including hostels, refuges, supported living complexes, extra care schemes and sheltered housing. It is enormously diverse, with different types of provision meeting different levels of need – and often multiple needs.
4. People who live in supported housing may include:
  - Older people with support needs;
  - People with learning and physical disabilities;
  - Individuals and families at risk of or recovering from homelessness;
  - People recovering from drug or alcohol dependency;
  - Offenders and ex-offenders;
  - Vulnerable young people (such as care leavers or teenage parents);
  - People with mental ill health; and
  - People at risk of domestic abuse.
5. There are approximately 651,500 supported homes in Great Britain, the majority in England (85%), and at any one time there are around 716,000 people living in supported housing.<sup>1</sup> Social landlords are the main providers, with housing associations providing the majority (71%), alongside local authorities and third sector providers. A small proportion is provided by the private sector.

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<sup>1</sup> Imogen Blood & Associates, Housing & Support Partnership and Ipsos Mori (2016), *Supported accommodation review*, <https://www.gov.uk/government/publications/supported-accommodation-review>



Figure 1: Profile of supported housing by landlord type across Great Britain<sup>2</sup>



## Why is supported housing important?

6. Supported housing provides vital support to some of our country's most vulnerable people. It helps many people to lead independent lives or turn their lives around, and is a vital service for a country that works for all.
7. DCLG analysis estimates that the net fiscal benefit of capital investment in supported housing is £3.53 billion per year.<sup>3</sup> It is an investment which brings savings to other parts of the public sector, such as health and social care and the NHS, helping those services to deliver better outcomes for vulnerable people.
8. Supported housing also underpins a range of policy objectives across Government. For example, it supports our commitment to tackle homelessness through prevention, provides refuge for people fleeing domestic abuse, and tackles poverty and disadvantage by helping vulnerable people transition to independent living.
9. The Government has a strong track record in safeguarding supported housing and boosting new supply. For example, people living in most forms of supported housing have not been subject to welfare reforms such as the household Benefit Cap. We have also delivered over 27,000 new supported homes in England between 2011 and 2017.

<sup>2</sup> Ibid

<sup>3</sup> Based on the Frontier Economics report for the Homes and Communities Agency on Specialist Housing in 2010: Frontier Economics (2010) Financial benefits of investment in specialist housing for vulnerable and older people: <https://www.frontier-economics.com/documents/2014/06/financial-benefits-of-investment-frontier-report.pdf>

## Future challenges

10. Demand for help to live independently is set to rise as the population ages and medical advances are able to help more people with acute health conditions and disabilities to enjoy longer lives. Projections suggest that the overall number of supported homes may need to rise across Great Britain from 650,000 to 845,000 by 2030 (30% increase), particularly among older people (35% increase on current demand) and people with disabilities (53% increase).<sup>4</sup>
11. The Government is clear that ensuring people have a safe and secure home is a priority. As part of this, the Secretary of State for Communities and Local Government recently announced a Green Paper on Social Housing in England – a wide-ranging, top-to-bottom review of the issues facing the sector, which will also consider broader issues of place, community and the local economy. It will include a framework for social housing tenants' complaints; this is to ensure their complaints are taken seriously and are dealt with properly, and to make sure tenants have clear, timely avenues to seek redress should things go wrong.
12. We are working across Government and with local partners to meet the challenge of helping to maintain vulnerable people's independence now as well as planning to meet growing future demand for services. This includes:

### A focus on prevention:

- We have committed £550 million until 2020 to tackle homelessness and rough sleeping, as well as implementing the most ambitious legislative reform in decades, the Homelessness Reduction Act.
- The Government's new Drugs Strategy outlines measures to support recovery from dependence. This includes a new National Recovery Champion to ensure adequate housing is available to help people turn their lives around.<sup>5</sup>
- Our Violence against Women and Girls Strategy sets out our ambition that no victim of abuse is turned away from the support they need, as well as emphasis on earlier intervention to prevent the escalation of abuse.<sup>6</sup> The Government will review the provision of refuges in England and will report back on this by November 2018.
- Ensuring offenders have suitable accommodation when released is vital to reduce reoffending. A special interest group, convened by the Ministry of Justice, will report next year on how to help offenders secure or retain suitable housing.

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<sup>4</sup> DCLG & DH commissioned research by Personal Social Services Research Unit of London School of Economics (2017), *Projected demand for supported housing in Great Britain 2015 to 2030*, [http://eprints.lse.ac.uk/84075/1/Wittenberg\\_Projected%20demand\\_2017\\_author.pdf](http://eprints.lse.ac.uk/84075/1/Wittenberg_Projected%20demand_2017_author.pdf)

<sup>5</sup> See: <https://www.gov.uk/government/news/new-drug-strategy-to-safeguard-vulnerable-and-stop-substance-misuse>

<sup>6</sup> See: <https://www.gov.uk/government/publications/strategy-to-end-violence-against-women-and-girls-2016-to-2020>

### **Helping people in their own homes and communities:**

- The Department of Health has invested over £1 billion since 2010 in the Disabled Facilities Grant, which helps people to stay in their homes by funding adaptations.<sup>7</sup>
- The Transforming Care Programme is ensuring that people with learning disabilities are cared for in the most appropriate way, reducing unnecessary hospital stays.<sup>8</sup>
- Government has committed £1 billion a year by 2020/21 for mental health services, including putting Crisis Resolution and Home Treatment teams on a 24/7 footing.

### **Boosting new supply and upgrading existing supported housing:**

- DCLG's Affordable Homes Programme has committed £400 million to build 8,000 new supported homes by 2020, and the Department of Health's Care and Support Specialised Housing (CASSH) fund is investing £200 million to build over 6,000 supported homes.
- The Department of Health launched a £25 million fund for housing and technology, supporting people with a learning disability to live as independently as possible.<sup>9</sup> £40 million was invested in the Homelessness Change/Platform for Life programme to upgrade homeless hostels and improve health facilities.<sup>10</sup>

### **Supporting timely move-on:**

- The Government has allocated £100 million to a programme which will deliver at least 2,000 low cost 'move on' accommodation places to enable people leaving hostels and refuges to make a sustainable recovery from homelessness.<sup>11</sup>
- The £2 billion of increased funding for affordable homes, announced by the Prime Minister in October, will also help to boost supply, providing more homes for people to move on to.<sup>12</sup>

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<sup>7</sup> See: <https://www.gov.uk/government/publications/disabled-facilities-grant>

<sup>8</sup> See: <https://www.england.nhs.uk/learning-disabilities/care/>

<sup>9</sup> See: <https://www.gov.uk/government/news/funds-to-improve-housing-for-people-with-learning-disabilities>

<sup>10</sup> See: <https://www.gov.uk/government/publications/homelessness-change-and-platform-for-life-funds-2015-to-2017-allocations>

<sup>11</sup> Budget 2016, see page 39

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508193/HMT\\_Budget\\_2016\\_Web\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508193/HMT_Budget_2016_Web_Accessible.pdf)

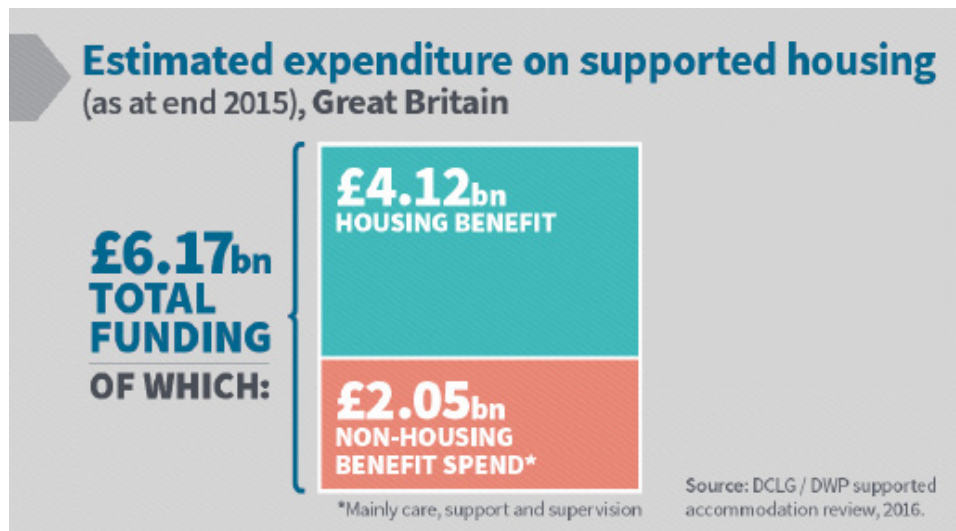
<sup>12</sup> See: <https://www.gov.uk/government/news/2-billion-boost-for-affordable-housing-and-long-term-deal-for-social-rent>

13. At the heart of meeting vulnerable people’s needs both now and in the future is developing a workable and sustainable funding model for supported housing.

## Funding for supported housing

14. Funding for supported housing is complex and comes from a variety of sources, with ‘housing’ costs and ‘support’ costs being met separately. This is important in allowing people to access the right level of support in their own homes, and in supporting people to live independently.
15. Around £4.12 billion of Housing Benefit is spent on meeting *housing* related costs (rent and eligible service charges) for supported housing – representing around 17 percent of total Housing Benefit expenditure. Around a further £2.05 billion from a variety of sources, including local authority adult social care and housing and homelessness funding, covers *support* and *care* services.<sup>13</sup>
16. Around 79 percent of older people in supported housing claim Housing Benefit to help them meet housing costs, as do 97 percent of working-age people in supported housing.<sup>14</sup>

Figure 2: Expenditure on Supported Housing



## Case for change

17. There are three clear reasons for seeking to reform the funding of housing costs for supported housing:

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<sup>13</sup> See: <https://www.gov.uk/government/publications/supported-accommodation-review>

<sup>14</sup> See: <https://www.gov.uk/government/publications/supported-accommodation-review>

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

### **To secure supply now and in the future**

18. With demand set to increase in the next few decades, the changes made to the system now will be vital in securing the future of the sector. We need to build a system which is better able to manage this increasing demand, making it even more important that spending provides value for money and is targeted effectively, and that providers are able to develop new supported housing supply.
19. It will also be vital that we make best use of existing provision (especially optimising move-on from short-term accommodation).

### **To strengthen focus on outcomes, oversight and cost control**

20. We want to ensure effective control of spending to deliver value for money, including appropriate move on for individuals. This will also help us to meet growing demand.
21. We want the quality of services, and a focus on outcomes for the people who use them, to be at the forefront of supported housing provision. For example, many local authorities have said they would welcome an enhanced commissioning role, especially for short-term accommodation, and more oversight of non-commissioned providers.

### **To ensure it works with the modernised welfare system**

22. A new funding mechanism for short-term supported housing is required to work alongside Universal Credit (UC). UC is a benefit for working age people, both in and out of work, which replaces six existing benefits, and is being rolled out to a 2022 deadline. UC provides simplicity, ease of access and improved work incentives for all claimants, including those individuals living in supported housing.
23. 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.

### **Objectives for a new supported housing funding model**

24. We have four key objectives in reforming the funding model:
  - I. **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;

- II. **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;
- III. **Flexible and deliverable:** the model must be workable for commissioners and providers, including being simple enough to implement; and
- IV. **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.

## Working with the sector to develop a solution

- 25. Last year we announced plans to fund supported housing costs above the Local Housing Allowance (LHA) rate through a top-up fund. We have listened to the views of the sector through their response to our consultation; through their participation in our Task and Finish groups; and through their involvement in the joint CLG/WP Select Committee.<sup>1516</sup> We have heard the concerns raised, and it is clear that an alternative model would better secure supply.
- 26. Over the past year we have worked with supported housing commissioners and providers, representatives of supported housing tenants, as well as the devolved administrations, to establish what a workable and sustainable funding model for the sector should look like. In particular, detailed work with Task and Finish groups has been crucial in establishing new funding models – as far as possible we have incorporated their recommendations in this policy statement.
- 27. The summary of consultation responses and independent reports of the Task and Finish Groups have been published today alongside this policy statement, as well as the Department's response to the Joint Select Committee report.
- 28. Through this process, most of the sector told us that they agree with the general principle of reform; that they needed long term certainty over funding; that local areas should be involved in planning and commissioning; that the diversity of the sector merited diverse funding models; and that they needed the appropriate time to implement the changes.
- 29. This Policy Statement seeks to reflect these views and incorporate recommendations where possible. To get the funding model right, we need to continue the constructive conversation we have started. We are therefore seeking further views from the sector on specific aspects of the model, to ensure it is designed in a way that works for providers, commissioners and tenants alike. You can contribute to this by responding to one, or both, of the consultations being launched today (see Section 2 and Section

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<sup>15</sup> The Government established four Task and Finish Groups (TFG), made up of sector representatives, to independently consider in detail some of the key issues included in the Funding for Supported Housing consultation document. They considered: Fair Access to Funding; Local Roles, oversight and older people; New Supply; and Short Term Accommodation.

<sup>16</sup> See: <https://publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/867/86702.htm>

3). We will continue to work closely with the supported housing sector as we prepare for implementation in 2020.

## Chapter 2: A new approach to funding supported housing

### The new funding models

30. It is clear that any new funding model for supported housing cannot be one-size-fits-all, and must meet the needs of a diverse sector. For the purposes of funding supported housing, we consider there to be three broad groups:

- **Sheltered housing and extra care supported housing:** this is housing usually designated for older people with support needs, which helps them stay independent for longer. However, working-age tenants can and do reside in this accommodation, where appropriate. This provision is often described as on a 'continuum', with sheltered housing used to describe housing for residents with lower-level support needs, while extra care is accommodation that has been designed for older people with higher care and support needs. There is little or no expectation for tenants to move on into unsupported accommodation; typically low turnover of tenants; low to medium housing costs; and high projected demand for increased future provision.
- **Short-term and transitional support:** for example housing for homeless people with support needs, those fleeing domestic abuse, vulnerable young people, offenders, and those with drug and alcohol misuse problems. There are high expectations for tenants to move on into unsupported accommodation; high turnover of tenants; high housing costs; and lower projected demand for increased provision.
- **Long-term support:** for example housing for people with learning or physical disabilities or mental ill health, as well as highly specialised supported housing, with little expectation for tenants to move on into unsupported accommodation; low turnover of tenants; medium to high housing costs; and medium projected demand for increased future provision.

31. Based on sector feedback from our consultation, the Select Committee inquiry, and Task and Finish groups, we have developed a three-pronged approach to funding supported housing in England. This reflects the needs of diverse client groups through a diverse set of funding models:

- i. **A 'Sheltered Rent' – for those in sheltered and extra care housing**
  - For sheltered and extra care housing, often for older people but also including working-age tenants.
  - Introducing a 'Sheltered Rent', a type of social rent, which keeps funding for sheltered and extra care housing in the welfare system.
  - Better cost control, as the social housing regulator will use existing powers to regulate gross eligible rent (rent inclusive of eligible service charges) charged by registered providers. We are seeking views on the appropriate level to set gross eligible rent at through our consultation.
  - This model will come in to effect from 2020.



- This will provide the certainty providers need in order to invest in future supply, whilst providing enhanced cost controls and ensuring value for money for the taxpayer, and good outcomes for tenants.
- II. **Local Grant Fund – for short-term and transitional supported housing**
- For short-term and transitional supported housing – including supported housing for homeless people with support needs, people fleeing domestic abuse, people receiving support for drug and alcohol misuse, offenders and young people at risk.
  - 100% of this provision will be commissioned at a local level, funded locally through a ring-fenced grant, and underpinned by a new local planning and oversight regime. This means all the funding for housing costs (including rent and eligible service charges) that were previously met from Housing Benefit, will instead be allocated to local authorities to fund services that meet the needs of their local areas.
  - This model will come in to effect from 2020.
  - As per the recommendations of the Joint Select Committee inquiry, this removes short-term accommodation costs from the welfare system and provides local areas with more oversight and control over the provision in their areas.
  - An individual's entitlement for help with their housing costs (through Housing Benefit or the housing cost element of Universal Credit) will be unchanged.
- III. **Welfare System (Housing Benefit/Universal Credit) – for long-term supported housing**
- For long-term supported housing – including supported housing for those with learning disabilities, mental ill health and physical disabilities, as well as highly specialised supported housing.
  - As Local Housing Allowance rates will no longer be applied, 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.

## **Local strategic planning and oversight**

32. The Task and Finish groups were clear that to achieve the best outcomes for supported housing tenants, local areas needed to work strategically and collaboratively with local partners, with the appropriate level of oversight and guidance from the Government. Therefore, alongside the new funding models, a new planning and oversight regime will be introduced to ensure that local areas are best able to provide for their vulnerable citizens, and that the accommodation represents both quality and value for money:
- a. **Local strategic plan:** local authorities will be asked to produce a local plan, setting out how funding will be used to meet identified local needs;
  - b. **Needs assessment:** local authorities will be asked to undertake a needs assessment to identify current provision and future need for all supported housing groups;

- c. **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;
- d. **Grant conditions:** the conditions attached to the short-term supported housing grant will set out how provision should be planned for, deployed and monitored;
- e. **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;
- f. **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
- g. **Important role for the regulator** in sheltered and extra care housing. Under the Sheltered Rent model, the social housing regulator will also regulate gross eligible rent. This will see them acting in the same capacity as they currently do for net rents, using existing powers: 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'.

## What the models deliver

33. These models seek to meet our stated objectives and meet the current issues set out in Chapter 1 by delivering:

- **A model fit for now and the future** – securing future supply by providing funding certainty, protecting and making best use of current provision, and recognising the diversity of the sector in varied funding models that are deliverable across client groups.
- **A model which focuses on outcomes, oversight and cost control** – ensuring quality provision for vulnerable tenants and a stronger role for local areas, whilst ensuring value for money for tenants and the taxpayer.
- **A model that works with the modernised welfare system** – by funding short-term provision through a locally administered grant.

34. These new funding regimes will come in to effect from April 2020, reflecting the views from the sector that earlier implementation will be hard to achieve. This will allow us time to work extensively with the supported housing sector on the details, ensuring they will be ready to deliver under a new model and test our approach where possible.

35. The following sections set out the models in more detail. The draft National Statement of Expectation published today sets out further detail of new oversight arrangements and the role for local areas, alongside two consultations that seek sector views on specific elements of the model. We will continue to work closely with the sector as we develop these plans over the coming months.

36. Long-term supported housing will continue to operate under the current funding arrangements in the welfare system, but we will work with the sector to identify how stronger oversight and better outcomes can be achieved and costs controlled.

# Chapter 3: Sheltered and extra care housing: Sheltered Rent

## Sheltered and extra care housing

37. Sheltered and extra care housing is a home to hundreds of thousands of vulnerable people across the country; their safety and quality of life is paramount. This type of housing both supports people to live independently for longer, ensuring more fulfilling lives for their residents, and brings wider savings to other public services, in particular to NHS and social care budgets. Reports have suggested that the net benefit of providing capital investment in supported housing for older people is £219 million, with most of the benefits coming from preventing costly hospital stays or residential care.<sup>17</sup>
38. Seventy one percent of all supported housing is sheltered and extra care housing units, and the majority of tenants are older people.<sup>18</sup> Projections suggest the numbers of supported homes for older people may need to increase from 460,000 to 625,000 by 2030 (a 35% increase).<sup>19</sup> It is therefore vital that the future supply of sheltered housing is secure to continue protecting these groups of people.

## The new funding model

39. Our Task and Finish groups were clear that new funding models should promote future provision and growth, and therefore provide secure funding. The Select Committee inquiry also highlighted how essential this is. We will ensure this security by introducing 'Sheltered Rent', a type of social rent, which keeps funding for sheltered and extra care housing in the welfare system, offering providers funding certainty. At the same time it is essential that we ensure value for money for the taxpayer and empower vulnerable tenants. To this end, the social housing regulator will use existing powers to regulate gross eligible rent (rent inclusive of eligible service charges) for sheltered and extra care housing, in the way that we already do for 'Affordable Rent'. This model offers long-term funding sustainability, and important but proportionate new cost control and oversight measures.
40. We will continue to work with the devolved administrations to ensure the future model works for Scottish and Welsh supported housing.
41. While the majority of sheltered and extra care housing residents are over pension age, a small proportion are working-age. The Government recognises the important role this accommodation plays in these people's lives and that in some cases it might suit local

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<sup>17</sup> Frontier Economics report for the Homes and Communities Agency on Specialist Housing in 2010: Frontier Economics (2010) Financial benefits of investment in specialist housing for vulnerable and older people, see: <https://www.frontier-economics.com/documents/2014/06/financial-benefits-of-investment-frontier-report.pdf>

<sup>18</sup> Imogen Blood & Associates, Housing & Support Partnership and Ipsos Mori (2016), *Supported accommodation review*, <https://www.gov.uk/government/publications/supported-accommodation-review>

<sup>19</sup> DCLG & DH commissioned research by Personal Social Services Research Unit of London School of Economics (2017), *Projected demand for supported housing in Great Britain 2015 to 2030*, [http://eprints.lse.ac.uk/84075/1/Wittenberg\\_Proyected%20demand\\_2017\\_author.pdf](http://eprints.lse.ac.uk/84075/1/Wittenberg_Proyected%20demand_2017_author.pdf)

circumstance to ensure working-age people can be housed there. We are committed to protecting these residents.

42. The key features of the new model, which will come in to effect from 2020, are:

- **Funding certainty:** 100% of housing costs funding (rent and eligible service charge) will remain in the welfare system (subject to existing benefit rules), protecting provision by ensuring providers have a secure source of income, and enabling important investment in future supply. As we have made clear, the Government is committed to maintaining funding for supported housing;
- **Flexible and deliverable:** the new model maintains funding in the welfare system as called for by the sector, and rates will be reflective of actual costs. The policy maintains the link to formula rent (which is partly based on local factors) and it is intended that the overall level for Sheltered Rent will fairly reflect the variety of provision across this very diverse sector;
- **Value for money:** 'Sheltered Rent' will increase value for money in this part of the sector by increasing cost controls in England. To do this, the social housing regulator will use existing powers to regulate gross eligible rent (rent inclusive of eligible service charges), as it already does for Affordable Rent. Annual caps on gross eligible rent increases will also be set; and
- **People-focused:** the new model will seek to empower tenants, working with the sector to drive up standards. As part of these reforms we will oblige providers to publish breakdowns of their service charges. This new approach will enable tenants to compare their service charges with those of other providers and, where they feel these are unreasonable, take action. We also intend, through the consultation, to work with the sector to identify ways to drive up standards, improve outcomes and share best practice.

43. The Sheltered Rent approach means that we will set an overall cap on the amount that providers can charge in gross eligible rent (rent inclusive of eligible service charges) on each unit of sheltered or extra care provision. It will also, as we currently do for net rents, cap annual increases. It will be determined in accordance with the following model:

***Sheltered Rent = ((Formula rent +/- 10% flexibility for supported housing) + (£X for eligible service charge) up to a level of £Y).***

44. As mentioned above we have committed to bring existing supply into the system at their existing level. New supply will be subject to the cap.

45. This model builds on existing rent controls – net rents will, as currently, be determined in accordance with the rent formula, including the 10% flexibility for supported housing – and legislation applicable to service charges. Under s.19 Landlord and Tenant Act 1985 a service charge is not payable if it is not 'reasonably incurred'. There are two aspects to this: (i) whether the action taken in incurring the costs is reasonable; and, (ii) whether the cost is reasonable.

46. We will be working with the sector, and through the consultation, to explore the appropriate allowance for eligible services to build in to the Sheltered Rent model. We

are therefore keen to understand what drives variations in eligible service charges in both sheltered and extra care, and how we can ensure the model is fair.

47. The Select Committee and a number of other representatives across the sector have suggested that we use a banded approach to reflect variety of provision across the sector. We are interested in understanding more about this and will be working with the sector on the design of the approach.
48. Sheltered Rent will apply to sheltered and extra care properties where the rent to date has been set at a social or formula rent (rents set under “Affordable Rents” are already regulated on a gross rent basis).
49. To deliver Sheltered Rent, gross eligible rent will be regulated from April 2020 via a new Rent Standard, but where relevant providers will need to continue to comply with the rent reduction requirements to the end of their 2019-20 rent year. The Government has already announced its intention to reinstate the previous CPI+1% limit on annual rent increases for 5 years after the end of the rent reduction period. We will consider, through the consultation, how this will apply to Sheltered Rent.
50. The social housing regulator will be responsible for regulating gross eligible rent. This will see them acting in the same capacity as they currently do for net rents (and for gross rents for homes let at an ‘Affordable Rent’); monitoring compliance and (where necessary) using their enforcement powers.
51. Alongside this, 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 (including tenants or representatives) 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 (see draft at Section 4) will encourage local authorities to adopt the strategies, planning and ways of working that we are keen to see regarding older people’s sheltered and extra care housing, alongside wider supported housing. Further detail on the oversight regime is set out in the next chapter.
52. We will also further consult with the sector to agree an exact definition of ‘sheltered’ and ‘extra care’ for the purposes of this new funding model.

## Chapter 4: Short-term supported housing: grant funding

### Short term accommodation

53. We propose to define short-term accommodation 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.*

54. This would include hostels, refuges and safe houses, which account for nine percent of total supported housing provision. This provision is also shown to have the highest proportion of new clients to existing units (i.e. a higher turnover) than any other form of provision in the sector. This reflects the often transitory nature of this provision.<sup>20</sup>

55. Under our definition, short-term supported housing may be provided for a period of up to two years or until transition to suitable long-term stable accommodation is found, whichever occurs first. This would include housing providing short-term support to:

- People experiencing or at risk of domestic abuse;
- People experiencing homelessness with support needs;
- Vulnerable young people (such as care leavers or teenage parents);
- Offenders and ex-offenders;
- People with mental ill health;
- People with drug and alcohol support needs;
- Vulnerable armed forces veterans; and
- Other groups with emergency or short-term transitional support needs (such as refugees with support needs).

### The new funding model

56. As set out in Chapter 1, we recognise the need for a tailored approach for the vulnerable people living in short-term supported housing.

57. Following discussions with the supported housing sector, we have designed a new grant funding model for short-term supported housing. This means provision will be commissioned at a local level, funded locally through a ring-fenced grant, and underpinned by a new local planning and oversight regime. All the funding for housing costs (including rent and eligible service charges) that were previously met from Housing Benefit, will instead be allocated to local authorities to fund services that meet the needs of their local areas. This will give local authorities an enhanced role in planning, funding and commissioning short-term supported housing in their area. It will

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<sup>20</sup> Imogen Blood & Associates, Housing & Support Partnership and Ipsos Mori (2016) Supported accommodation review, see: <https://www.gov.uk/government/publications/supported-accommodation-review>

entirely remove short-term supported housing from the welfare system (Housing Benefit and the housing element in Universal Credit). However, an individual's entitlement for help with their housing costs (through Housing Benefit or the housing cost element of Universal Credit) will be unchanged.

58. 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.

59. 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. As previously committed, the UK Government will ensure that the devolved administrations receive a level of funding in 2020-21 equivalent to that which would otherwise have been available through the welfare system.

60. In line with the recommendation of the Select Committee inquiry, the new model, which will come in to effect from 2020, will offer:

- **People-focused:** local authorities will produce Supported Housing Strategic Plans, alongside needs assessments, to set out how they will meet the specific requirements of their local areas and residents. Funding for bed spaces (rather than directly to/for the individual) will also help people to move in to work and become independent without fears over how to pay high rents from a low income.
- **Funding certainty:** our Task and Finish groups were clear that a new funding model should enable future provision and growth, and therefore provide secure funding. Grant funding will be allocated to local authorities as a ring-fenced grant, with a requirement to report on spend twice a year, including a breakdown of spend for different client groups. It will fund the provision, rather than the individual – tenants in short-term accommodation will no longer pay rent, as this will be funded by local authorities through the grant. This will provide more funding certainty to providers in the short and long-term. We will work with local government and the welfare system to ensure that grant allocations for short-term supported accommodation in 2020-21 match the sums that would otherwise have been paid out in each local area to pay for housing costs through the welfare system. 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;
- **Flexibility and deliverability:** the model will give local authorities an enhanced role in planning, commissioning and delivering supported housing to meet local needs; and
- **Value for money:** local authorities will be required to seek value for money in commissioning services as well as ensuring those most in need are provided access to supported homes as well as timely move on where appropriate to make best use of provision.

61. Funding will switch from being paid through the welfare system to being paid as a grant from DCLG to local authorities using existing powers under Section 31 of the Local Government Act 2003. This will include detailed grant conditions which will be



supported by non-statutory guidance setting out our key requirements for delivery, including expectations around length of stay. We will work with the DWP and local authorities to determine local grant allocations, which will be equivalent to what would otherwise have been spent on short-term accommodation through Housing Benefit and Universal Credit in each local area in 2020-21. We are also very clear that every vulnerable individual needing to stay in short-term supported accommodation who would be eligible to have their housing costs supported through the welfare system will continue to have their housing costs met through our funding model for short-term accommodation.

62. Given the need for cross-boundary co-operation and planning, in two-tier local authority areas DCLG plans to allocate the grant for short-term supported housing to the upper tier authority, as per the recommendations of our Task and Finish groups. This will be used to fund provision in agreement with districts in line with the strategic plan.
63. As per the recommendations of the Task and Finish groups, we will work with the sector to ensure we have the appropriate information on supply, needs and costs in order to assess the appropriate level of grant. That process starts today with a consultation on the model (see Section 3).

## **Assessing need and fair access to funding**

64. The Task and Finish groups recommended that to achieve the best outcomes for short-term supported housing tenants, local authorities need to work strategically and collaboratively with local partners (including tenants or representatives) to produce a local strategic plan for supported housing, and to undertake an assessment of provision and need for all supported housing groups. They were also clear that ring-fenced funding should be tied to relevant grant conditions that ensure the appropriate level of oversight and guidance from the Government.
65. Therefore, in order to ensure that the grant accurately assesses need and provides fair access to funding, we will ask local authorities to produce a supported housing strategic plan, and undertake a needs assessment, as conditions of the grant. They will also be asked to develop the strategic plan in partnership with the district authorities, as well as with relevant partners including Public Health England, Police and Crime Commissioners, Domestic Abuse and Sexual Violence Partnerships, probation services, Clinical Commissioning Groups, Adult Social Care Boards, Health and Wellbeing Boards, and others such as local providers and neighbouring local authorities.
66. When drawing up the plans local authorities should draw on existing strategies and plans, such as their Homelessness Strategy, their Violence against Women and Girls Strategy, their Housing Strategy, and their Drug Strategy. The plan should include:
  - description of provision for all client groups who may need short-term supported housing (including perceived challenging groups such as those with drug/alcohol dependencies and ex-offenders and offenders);
  - description of provision for groups with no local connection – like ex-offenders, offenders, and people fleeing domestic violence;

- detail of joint working with other out-of-boundary local authorities (in particular to support individuals without a local connection who need to use supported housing); and
- detail on consultation with relevant partners including Public Health England, Police and Crime Commissioners, Domestic Abuse and Sexual Violence Partnerships, probation services, Clinical Commissioning Groups, Adult Social Care Boards, Health and Wellbeing Boards, and others such as local providers and neighbouring local authorities.

67. The strategic plan will include a needs assessment of all supported housing in the local area, including short-term supported housing. In two-tier authorities the upper tier must consult with lower tiers and other public bodies. The assessment should include:

- a profile of existing provision;
- description of current demand;
- how need will be met for named client groups including those fleeing domestic abuse, ex-offenders and offenders, people with alcohol and drug dependencies;
- detail of known demand for supported housing for individuals without a connection to the local area; and
- description of any current or projected gaps in provision.

68. We recognise that this type of housing helps some of the most vulnerable people in our society, including those fleeing domestic abuse and who need access to a refuge (potentially in an area to which they have no local connection). Refuges will be funded as set out in the model above, on a local basis, with expectations set out in the supporting oversight regime (including on supporting those without a local connection). We believe that local authorities are best placed to deliver better outcomes for vulnerable renters in crisis and emergency supported housing as they understand local needs and can take a holistic view on both housing and support provision.

69. Furthermore, under our new model, refuges will be funded on a provision basis, rather than funding the individual. An individual who finds themselves in need of emergency supported housing would not have to pay rent, as the bed space would be directly commissioned and funded by the local authority. This will give providers more certainty as regards funding, enabling them to plan for the short and long term. The oversight regime will set out expectations regarding helping those with no local connection.

70. We also encourage local authorities to work together closely so that no-one is turned away - in line with our Priorities for Domestic Abuse Services which we developed with partners from the domestic abuse sector. The Government has already committed (in the 2016/20 Violence Against Woman and Girls Strategy) to review the current approach to refuge provision in England by November 2018. We will need to pay particular attention to the funding of care and support costs as we do this, and will continue to work closely with this sector to make good our commitment to the victims of these terrible crimes.

71. This model will work for local authorities by giving them more flexibility to plan for local need; work for providers by removing the need to manage benefit claims; and support individuals by ensuring they can take up work without putting their housing at risk.

## Chapter 5: Long-term supported housing

72. Long-term supported housing is typically designed for working-age tenants (although not exclusively) and is an extremely diverse part of the sector. It includes, for example, housing for people with learning or physical disabilities or mental ill health, as well as extremely specialised housing, where costs are much higher than other parts of the sector. We are committed to protecting this provision.
73. Whilst some providers in this sector are registered, a number will not be as they are smaller and offer bespoke, specialist provision. For example, some charities may not be private registered providers of social housing.
74. As this sector is vitally important to very vulnerable people on a long-term basis, we are keen to ensure that the sector has the funding certainty it needs to commit to much needed future supply. It is also right that where higher costs are warranted in this sector, they can be met.
75. Applying Sheltered Rent (outlined in Chapter 3) may not be appropriate, given the diversity of this part of the sector, and the fact that many providers are not registered. As LHA rates will no longer apply to the social sector, we will continue to fund 100 percent of housing costs (rent and eligible service charges) for long-term supported housing through the welfare system (Housing Benefit/Universal Credit), subject to the benefit rules.
76. We will be working with the sector in England to develop and deliver an approach that will ensure greater cost control while driving up outcomes for vulnerable people. As part of this, we expect local authorities to begin developing an understanding of this provision in their areas now, and to think about ways to ensure better cost control.

## Chapter 6: Timetable and next steps

77. The new funding regimes will be effective from April 2020.

78. This document begins the consultation process on key design components of the funding models. While the framework for the new funding models has been set, the consultations seek views on key system design elements to ensure the models will work for tenants, commissioners, providers and developers. We will also be engaging closely with the supported housing sector outside of the consultation, working collaboratively with the sector as we move in to the implementation stage.

79. The consultations can be found at Sections 2 and 3, and will run for 12 weeks until 23 January 2018.

80. There will be a further, more detailed consultation next year linked to the new funding design for sheltered and extra care provision, as part of the new rent standard.

81. We will also be working with local authorities in due course, as per the recommendations of our Task and Finish groups, to consider the appropriate level of new burdens funding required to implement these models.

# 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 <sup>st</sup> October (closing on 23 <sup>rd</sup> 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 <sup>st</sup> October (closing on 23 <sup>rd</sup> 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  
3<sup>rd</sup> 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.**

## 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 4: Draft National Statement of Expectation for supported housing funding (housing costs)

Supported housing is any housing scheme where accommodation is provided alongside care, support or supervision to help people live as independently as possible in the community. This includes:

- Older people with support needs;
- People with learning and physical disabilities;
- Individuals and families at risk of or recovering from homelessness;
- People recovering from drug or alcohol dependency;
- Offenders and ex-offenders;
- Vulnerable young people (such as care leavers or teenage parents);
- People with mental ill health; and
- People at risk of domestic abuse.

We recognise that supported housing helps some of our country's most vulnerable people lead independent lives in the community and is also an investment which brings significant savings to the NHS, social care, and other parts of the public sector. Given the importance of supported housing to its tenants, the wider benefit to the public sector, and growing demand, it is vital that the sector has a sustainable funding model that stimulates supply and represents good value for money. That is why we want to make our expectations clear, as set out in this document. **This statement relates chiefly to local authorities in England** though other public and third sector organisations involved in supported housing will also have a close interest.

From April 2020, we will be bringing in a new funding approach for supported accommodation housing costs (rent and eligible service charges) in England. What is clear, given the diversity of the sector, is that a single funding solution is unlikely to work for every type of provision. Based upon the different characteristics and different objectives of supported housing from across the sector, we have divided supported housing into three distinct segments:

- **Sheltered and extra care housing:** this is housing usually designated for older people with support needs, helping them stay independent for longer. However, working-age tenants can and do reside in this accommodation, where appropriate. We will introduce a 'Sheltered Rent' from April 2020, in which 100% of housing cost funding (rent and eligible service charges) will be retained in the welfare system (Housing Benefit/Universal Credit), with rent controls applied to gross eligible rent (rent inclusive of eligible service charges) with oversight by the social housing

regulator. Demand for this provision is expected to continue to grow and this model provides the certainty the sector needs in order to secure future supply whilst providing enhanced cost controls, ensuring value for money for the taxpayer and quality for tenants.

- **Short-term and transitional support:** for example housing for homeless people with support needs, those fleeing domestic abuse, vulnerable young people, offenders and ex-offenders, and those with drug and alcohol dependencies. 100% of housing costs (rent and eligible service charges) will be funded through locally administered ring-fenced grant, and underpinned by a new local planning and oversight regime. This removes short-term supported accommodation from the welfare system and provides local areas with more oversight and control over the provision in their areas.
- **Long-term support:** for example housing for people with learning or physical disabilities or mental ill health. 100% of housing costs (rent and eligible service charges) to remain funded as at present (through the welfare system). The Government will work with the sector further to develop and deliver arrangements to control costs.

These models seek to meet the objectives of our reforms as set out in the Policy Statement by:

- ensuring quality provision for vulnerable tenants and a stronger role for local areas;
- securing future supply by providing funding certainty;
- recognising the diversity of the sector through the varied funding models that are deliverable across client groups; and
- ensuring value for money for tenants and the taxpayer.

In addition to this *National Statement of Expectation*, local authorities should consider relevant government strategies that affect their client groups when planning and commissioning services, and work closely with local partners. This will help to ensure an integrated approach. Relevant strategies include:

- The Homelessness Code, part of the implementation of the Homeless Reduction Act, which seeks to prevent people becoming homeless in the first place. It includes measures that require housing authorities to publish a five-year homelessness prevention strategy by reviewing current and future levels of homelessness and the activities and resources required (including increasing the supply of new supported housing). It will be important for homelessness prevention strategies and supported housing strategies to be developed together given their close links;

- The Government's 2017 Drug Strategy, which includes measures to reduce the demand for drugs, and restrict their supply and support recovery from dependency. These include a new National Recovery Champion to ensure adequate housing, employment and mental health services are available to help people turn their lives around, and the development of a joint outcome measure between homelessness/housing support services and drug and alcohol treatment providers to ensure that appropriate housing and housing-related support is given to those who need it;
- The Home Office's Violence Against Women and Girls Strategy, which sets out our ambition that no victim of abuse is turned away from the support they need, including refuges - we have committed increased funding of £100 million to support this aim. £20 million of this has already gone to increase refuge spaces and other specialist accommodation based support, and a further £20 million is due to be distributed in the next two financial years;
- Health and Wellbeing strategies, which under the Health and Social Care Act require upper and unitary authority convened boards to set out how health and social care systems work together in a local area to improve the health and wellbeing of their local population and reduce health inequalities. This includes the Government's Better Care Fund – of which the Disabled Facilities Grant (DFG) for home adaptations is a part – and Sustainability and Transformation Partnerships (STPs);
- Joint Strategic Needs Assessments, which consider the needs of populations beyond NHS and local authority areas for joined up provision, provided more flexibly to support the needs of local communities and allow intervening at much earlier stages<sup>21</sup>;
- Local housing plans, which under the [Housing White Paper](#) require local planning authorities to consider the needs for older people and the disabled when planning for housing in their area; and
- Other relevant local strategies.

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<sup>21</sup> Regard should be given to existing strategic guidance that informs JSNA's, for example Public Health England's alcohol and drugs [commissioning support documents](#).

## Our Overall Expectations

For all supported housing we hope to see local planning, commissioning and services that:

- **Meet local needs;**
- **Ensure fair access;**
- **Support collaborative working;**
- **Promote delivery to a decent standard; and**
- **Encourage innovation in commissioning through a strategic approach.**

We understand the diversity of the supported housing sector and so we have further expectations for short-term, sheltered and extra-care, and long-term provision, which we will set out in turn (see further below).

### Meet local needs by enabling local authorities to plan for supported housing provision in their area

Local authorities should plan to meet the housing needs of vulnerable people in their areas, both now and in the future. In two-tier areas, upper tier authorities should convene the plan, but work collaboratively with lower tier authorities and local partners in their area (see section 'Support Collaborative Working'). Assessing local needs and planning for future provision will support consistent funding provision for supported housing in different local authorities.

The local strategic plan should set out how they will meet the current and future needs of all supported housing client groups over a five-year period. This should include, if necessary, how they will meet particular supported housing needs outside of the local authority area (e.g. the use of specialist provision which is only provided in certain areas). We would expect these plans to be made public to promote transparency.

In producing local plans, local authorities should consider how they will meet the housing needs of vulnerable people across a spectrum of support services, including preventative services, support in people's own homes and other services, as well as the use of supported housing. Supported housing provides vital assistance to vulnerable people, but depending on the needs of the individual, other support services may be more appropriate. The needs and outcomes of individuals in need must be the primary consideration.

The assessment should include a description of client groups who are accessing supported housing services within the local administrative boundary in order to fully identify what the current demand is. Local authorities should ask experts and practitioners to feed into the analysis of data, current provision, and further information to reach a decision on provision, predictions and gaps.

Although housing costs (rent and eligible service charges) are separate from support costs (see Policy Statement), we expect local authorities to have an understanding of how support costs will be met for planned provision.

Where possible local authorities should seek to work collaboratively and draw on existing joint strategic needs assessments or other plans, in addition to requirements in the [Housing White Paper](#), when planning for sufficient housing for vulnerable people.

### Ensure fair access

It is our intention that local authorities consider and meet the needs of people from every client group, even if that means support is provided outside of the given local authority's area.

To ensure fair access to funding, local Supported Housing Strategic Plans should be underpinned by a needs assessment across all supported housing client groups. Where there is no provision in a given local area, the relevant local authorities will need to be aware of how that specific client group can access services elsewhere. Local authorities should also consider the needs of those with no local connection, as mentioned in more detail in the section (see further below) 'Our Expectations for Short Term Supported Accommodation'.

### Support collaborative working

In order to ensure that local authorities are well informed, those people and organisations essential to providing supported housing (and organisations that are concerned with the demand for supported housing) should be involved throughout the assessment, planning and implementation processes.

Local authorities should work collaboratively with other local partners in the development and delivery of local Supported Housing Strategic Plans to ensure identification of current and future need is as accurate as possible. This should include health and wellbeing boards, social services, directors of public health, the police and police and crime commissioners, the national probation service, community rehabilitation companies, youth offending teams, parole boards, community mental health teams, clinical commissioning groups and other health services, providers and voluntary agencies.

All local authorities, including unitary authorities, should work with each other to consider how clients in their area can access, if needed, specialist services in other local areas (see section on local connection). It is also important that local authorities work collaboratively with each other. In two-tier authorities, upper and lower tiers should work together to inform needs assessment and plans.

### Promote delivery of a decent standard

Local authorities should ensure supported housing services represent value for money, and that accommodation is of a good standard. We recommend that, in commissioning short-term supported accommodation from providers, local authorities should consider



both the support and housing elements of the service. Local authorities should ensure that providers are genuine, reputable and will provide a quality overall service, as well as delivering value for money.

### Encourage innovation in commissioning through a strategic approach

Local authorities should work with their local partners to shape and manage referrals, nominations and allocations (of tenants) into supported housing, and move-on from supported housing, to ensure best use is made of existing provision.

In some instances, service providers are funded for support costs from a variety of different funding streams and commissioners, from Police and Crime Commissioners, or health and local authorities, as well as from grant making trusts and private foundations. While assessing current provision as part of the needs assessment, local authorities should gather data from commissioners and service providers to help create a picture of whose budgets pay for existing service provision, the length of provision for different funded services and the total sum of money available to fund services in an area. This analysis is critical in identifying opportunities for joint commissioning and the potential for aligning budgets. It will also provide the opportunity to offer stability and opportunities for development in the specialist sector by providing longer-term funding.

Local authorities should scrutinise the use of supported housing in their area to help them make well informed decisions regarding providers. For example, by retrieving data on voids from long term supported housing providers in their area, they will be better able to judge whether providers have made efficient use of stock.

In all local authorities, there may be opportunities for innovation by working with other neighbouring local authorities to plan and commission where out of boundary provision is required. There may also be opportunities for efficiencies in two-tier authorities through agreements between upper and lower tiers for planning and commissioning.

### Transparency in the delivery of supported housing

Local authorities should be transparent in how they deliver against local plans, including making the plans public.

Local authorities should report against delivery on an annual basis. Across all supported housing we suggest that this includes:

- Data on cross-border arrangements and support for people coming into the local authority area and people exiting the local authority area; and
- On-going assessment of future need across all client groups (to help size future local funding allocations).

## Our Expectations for Short Term Supported Accommodation

As set out in our Policy Statement, short-term supported accommodation will be removed from the welfare system entirely, with housing costs to be met wholly through a ring-fenced DCLG grant to local authorities. This will allow local areas to plan how to meet the needs of their residents in a flexible way.

Our expectations for short-term supported accommodation will be included as conditions of the grant funding, to provide a more robust framework for oversight and control at a local level. Conditions will include: the need to produce five year plans and to undertake a needs assessment; a requirement to report on delivery against plans and spend for named client groups; and an expectation that areas work collaboratively at local level with other local authorities and relevant partners.

We expect to see local planning, commissioning and services that:

- 1. Enable fair access, even where no local connection has been established;**
- 2. Support individuals to move on to independent accommodation; and**
- 3. Report against spend.**

**Enable fair access, even where no local connection has been established;**

There are several types of incidents which give rise to a need for an individual to uproot themselves and move to an area in which they do not have a local connection, particularly those who need short-term supported housing services. Individuals fleeing domestic abuse often need to move to a different locality away from the perpetrator. Additionally, offenders, ex-offenders or those recovering from substance dependency may also fall into this category where there is an urgent need for transitional support.

When a local authority is planning supported housing provision in their area, they must consider those who need to use the services from outside the local area in their needs assessments and plans. This is particularly important for the groups listed above, and local authorities must account for how they will provide for these groups where the clients have no local connection. Where there is no provision in the local area, the local authority must ensure they have an agreement in place with another local authority for the provision of such housing. In turn, it will be important for local authorities to support those with no local connection where this is appropriate. Local authorities should work together to agree a reciprocal approach to supporting people without a local connection. They should also consider services that currently provide support to individuals regardless of local connection.

**Support individuals to move on to independent accommodation**

Short-term supported accommodation is there to help those who are in a position of crisis, and it is always our intention that they move on to more secure accommodation. Those who are eligible should be supported so that at the appropriate time they can go on to general needs housing or other more long term supported housing. That is why we expect local authorities to identify providers of short-term supported accommodation that have a plan for their clients to move on as part of their commissioning process. We expect this to be one of the key outcomes in reporting on delivery.

### Transparency in reporting on spend and delivery

Local authorities should seek to ensure value for money in the use of grant funding.

Transparency in relation to delivery and spend allows local authorities, other local partners and central government to monitor the effectiveness of supported housing provision at local authority level. This will also assist the process for determining local grant allocations. The need to ensure value for money and transparency will be set out in grant conditions.

Annual reporting against delivery for short-term accommodation should include:

- Data on length of stay of tenants, in order to show whether clients have suitable opportunities to move on;
- Data on cross-border arrangements and support for people coming into the local authority area, as well as people exiting the local authority area;
- Data on type of providers commissioned, so that the market share in the local area is known and any barriers to entry can be addressed locally; and
- On-going assessment of future need across all client groups (to inform future local funding decisions).

Report against spend should happen twice a year<sup>22</sup>. It should include the expenditure of grant funding on the housing costs for short term supported accommodation. This should provide transparency around how the grant funding is being spent, and show fairness of funding allocations for different client groups.

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<sup>22</sup> DCLG grant conditions will also require the provision of in-year management information to DCLG regarding spend and performance.

## Our expectations for Sheltered and extra care housing

We want to see local planning, commissioning and services that:

- 1. Plan and facilitate new supply;**
- 2. Provide support which keeps people independent, offers a real alternative to residential care, and enables efficient use of stock; and**
- 3. Provide transparency in reporting against delivery.**

### Plan and facilitate new supply

The country is changing in a number of ways. People are living longer, but the way we live, work and socialise with each other at different points of our lives is also changing. At different stages of our lives what we need from our homes and communities changes. While funding for sheltered and extra care housing will be met through the welfare system, we encourage local authorities to assess future need and plan for new supply. Future capital bids for sheltered and extra care housing should be linked to an identified need for that housing, as set out in local plans.

National policy sets out clearly the need for local planning authorities to plan for the housing needs of all members of the community, working closely with key partners and local communities in deciding what type of housing is needed to meet local need, including bungalows.

We are asking local authorities to consider our proposals in the [Housing White Paper](#), which proposes planning for older people's housing in two ways:

1. Strengthening the National Planning Policy Framework, 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 living with a disability; and
2. 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.

### Provide support which keeps people independent, offers a real alternative to residential care, and enables efficient use of stock

Sheltered and extra care housing supports people to live independently for longer, ensuring more fulfilling lives for their residents. They also support health and adult social care provision by helping older people lead independent lives with less use of acute health services and residential care, and to smooth their discharge from hospital.

It is important that local authorities do not only ensure they continue to supply supported housing, but that that housing is made available for those who need it. This can be achieved by working with providers, Health and Wellbeing Boards, and other cross-sectoral partners, to ensure people can be moved into the most appropriate accommodation quickly and smoothly. This will enable efficient use of stock for providers, and a good service for clients.

### **Provide transparency in reporting on delivery**

Local authorities should be transparent in how they deliver against local plans.

We encourage transparency on how an upper tier authority is ensuring delivery of supported housing and we recommend that this take place on an annual basis. For sheltered and extra care housing, we suggest this includes:

- On-going assessment of future need across all client groups;
- Data on occupancy including voids within the provision to show how efficiently the stock is being used; and
- Data on cross border arrangements and support for people coming into the local authority area, as well as people exiting the local authority area.

## Our Expectations for Long-Term supported housing

We hope to see local planning, commissioning and services that:

- 1. Provide support which keeps people independent, offers a real alternative to residential care, and enables efficient use of stock; and**
- 2. Provide transparency in reporting against delivery.**

In addition to this, we will continue to work with the sector to develop and deliver arrangements to ensure greater cost control and value for money across the sector, while driving up outcomes for vulnerable people.

**Provide support which keeps people independent, offers a real alternative to residential care, and enables efficient use of stock**

Long-term supported housing services support health and adult social care provision by helping those with disabilities, mental ill health or with other long term needs to lead independent lives by keeping them out of acute health settings and residential care, or smoothing their discharge from hospital.

It is important that local authorities do not only ensure they continue to supply supported housing, but that it is made available for those who need it. This can be achieved by working with providers, health and wellbeing boards, and other cross-sectoral partners, to ensure people can be moved into the most appropriate accommodation quickly and smoothly. This will enable efficient use of stock for providers, and a good service for clients. We will work with the sector to identify what more we can do to achieve this.

**Provide transparency in reporting on delivery**

We encourage transparency on how an upper tier authority is ensuring the delivery of supported housing and we recommend that this take place on an annual basis. For long-term supported housing, we suggest this includes:

- On-going assessment of future need for this type of provision.
- Data on occupancy including voids within the provision to show how efficiently the stock is being used.