



**PLACESHAPERS RESPONSE TO DHCLG & DWP CONSULTATION ON THE  
PROPOSED MODEL FOR FUNDING SHORT-TERM SUPPORTED HOUSING  
JANUARY 2018**

**1. INTRODUCTION**

- 1.1 PlaceShapers is a national network of community-based housing associations formed in 2008. Currently comprising 119 members of varying types and sizes, between us we own or manage nearly 900,000 homes, with over 70,000 more in the pipeline to 2022. Details of our members and more about what we do can be found on our website: [www.placeshapers.org](http://www.placeshapers.org)
- 1.2 Our members include many for whom providing supported and sheltered housing is core business and for whom the outcome of this consultation is critical if they are to be able to continue to provide the vital services involved. As at March 2017 94,000 of our current homes were supported housing and care units with nearly 70,000 of these being homes for older persons. We do not have collective data on how this splits down further into longer term or short term supported housing nor the average charges for these different types of accommodation. Simple additional filters in the annual statistical data return going forward could deliver this and with it a rich evidence-based tool for reviewing comparative costs and value for money.
- 1.3 We welcomed the opportunity to engage with Government during initial consultation on the future funding of supported housing, submitting detailed responses to your own consultation and also to the joint select committee inquiry on the topic. We were therefore delighted that your revised policy position announced in October 2017 included dropping the originally proposed link with the LHA cap for supported housing (and with it the much-criticised proposed top-up funding arrangement) given the devastating impact such a regime would have had on residents in our current schemes as well as future provision.

1.4 There is much to be positive about in the revised proposals and we are pleased that you intend to work closely with the sector to ensure that the final model is designed in a way that works for providers, commissioners and residents alike. However, there are some aspects of the revised approach that do cause concern and these are set out in answer to your consultation questions below. We appreciate the further opportunity to work with you to resolve these and ensure that the new funding arrangements are sustainable and fit for the future before implementation, currently proposed for 2020.

1.4 We have once again brought together a number of our key practitioners to discuss the questions posed in your consultation and help produce a collective PlaceShapers response. This document results from that process. Many of our members will respond individually to the consultation too and in doing so will set out in more detail their views on the proposed new funding system in the context of local services.

## **2. SUMMARY COMMENTS**

2.1 Before responding to the specific questions posed in your consultation paper, we wish to make the following comments to summarise the key points in our submission.

2.2 We do not agree with the current definition of 'short-term' accommodation and propose instead that housing and support costs for anything other than schemes intended for very short-stay emergency accommodation should continue to be funded on an individual basis through the welfare system.

2.3 Grant based funding is appropriate and welcomed for emergency access schemes where occupancy will typically not exceed 12 weeks.

2.4 We have serious concerns about the principle that grant should be allocated by local authorities on the basis of local commissioning. Our experience of previous grant based systems, most notable the 'Supporting People' regime, suggests that when they have the ability to do so, local authorities will prioritise schemes that help them meet their own statutory duties and will rationalise providers for commissioning convenience. This will jeopardise current and future provision.

2.5 Consequently, it is essential that any grant has a very tight long-term ring-fence with statutory backing, strict funding conditions and a more considered approach to the appropriate channels for allocating funds.

- 2.6 We are fully supportive of the need for strategic planning of provision but consider that there needs to be a wider approach to this process than an expectation primarily focussed on local authorities. Additionally, the need for such planning requires statutory backing in order to ensure it is delivered.
- 2.7 We do not believe that the proposed 2020 implementation date for the new funding model for short-term accommodation is realistic or achievable. It is more important that the agreed approach is fit for purpose than it is to chase an arbitrary implementation deadline.
- 2.8 It is in this context that our replies to your specific consultation questions should be read.

### 3. RESPONSE TO CONSULTATION QUESTIONS

#### **Consultation Q1: Definition**

Do you agree with this definition of short-term supported accommodation? (Yes/No)

Please comment: *“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.”*

#### **PlaceShapers Response**

We agree that a different approach is needed for supported housing schemes intended for very short-stay and that this should be a grant paid direct to providers with service users taken out of the benefit system whilst in such accommodation.

However, we have concerns about the proposed definition of “short-term” (which we consider to be too long) and also the proposed distribution of grant by LAs.

We propose a change to the definition on the basis that some of what Government has defined as short-term are in fact schemes provided to those needing longer-term support on the journey towards being able to live independently. The length of stay in such schemes will vary and can be up to two years or more. This is not short-term.

We propose therefore that the definition of short term accommodation for which funding will be grant-based is reduced to cover emergency access schemes only where occupancy will typically not exceed 12 weeks. Grant should be paid direct to providers on a block basis. For longer stay schemes we would expect HB / UC to continue to be paid in full as for other forms of supported housing.

**Consultation Q2: New Funding Model**

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

**PlaceShapers Response**

We are concerned about the principle that grant should be allocated by local authorities on the basis of local commissioning even with the suggested safeguards around strategic planning to protect existing and future services.

Our experience of previous grant based system such as the 'supporting people' regime and public health grants suggests that if LAs have discretion over which schemes to award grant funding to, they will be minded to commission schemes that meet their own statutory priorities and will look to rationalise providers for commissioning convenience. This could jeopardise much current and planned provision and will not provide the certainty required for long-term funding commitments.

Consequently, any grant must have a very tight long-term ring-fence with specific rules about what it must be spent on. It is essential that this should have statutory backing as without this history suggests that it won't last and this won't give long-term surety to lenders funding new schemes.

All current schemes should continue to be funded with the safeguard that powers should exist to suspend funding where there are serious concerns about the quality of service.

Specific grant conditions should include:

- Grant to be provided on a block basis per scheme rather than on an individual basis given the rapid turnover of service users.
- Existing schemes to be included in the new commissioning arrangements from day one with grant paid to the existing providers and minimum initial contracts of 5 years.
- Contracts for new investment to be of at least 10 to 15 years duration with subsequent contracts for a minimum period of 5 years. Anything less is unlikely to secure the capital finance required for new supply.
- Clarity that funding will cover rents, eligible service charges and unavoidable void costs.
- Provision to be included for annual increases and growth of new services

- Funding to be spent on housing costs indefinitely unless provision falls below required standard of quality or systematic low demand issues
- Any de-commissioning of existing schemes to take place on a planned basis over an agreed period of time. De-commissioning to be permitted only where the relevant authority is able to demonstrate either that the need no longer exists or that it is being met in some other way.
- An explicit condition that funding must include grants for services not covered by statutory duties.

Even with all these safeguards, there is the obvious but necessary point that Government must ensure the total supported housing package is adequately funded, i.e. housing costs and additional support and care costs. Failure to guarantee funding for the total costs of supported housing in the longer term will place additional burden and costs on other services and increased costs to taxpayers.

**Consultation Q3: Strategic Plans and meeting local needs**

- 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 (do) 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)?

**PlaceShapers Response**

This question is aimed at local authorities and we cannot comment collectively. Our members locally will cover questions b) and c) in their own responses.

**Consultation Q4: Strategic Plans and meeting local needs**

- 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]
- c) All – is the needs assessment as described in the National Statement of Expectation achievable? [Yes/No]. Please comment

**PlaceShapers Response**

This question is aimed at local authorities and we cannot comment collectively. Our members locally will cover questions b) and c) in their own responses.

**Consultation Q5: Strategic Plans and meeting local needs**

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.

Do you agree with this approach? (Yes/No). Please comment.

**PlaceShapers Response**

The issue of at what level any grant should be allocated is one that requires further consideration and our members will have set out their views on this proposal in individual responses. There are many different structures in local government including regional devolved authorities and responsibilities vary. In some cases there may be an argument for a national approach to allocating funds, particularly where these are to be used to provide supported housing for those without local connections. On balance we believe that grant funding should be confirmed at the national or regional level in devolved authorities albeit that LAs / CCGs / Health & Wellbeing Boards could be responsible for administering the distribution of monies locally. Additionally, the role of 'relevant partners' needs to be formalised in the framework for planning service provision. This will ensure that key stakeholders such as the Home Office, Ministry of Justice and Department of Health are able to influence the ongoing provision of community based housing support services given their proven value for money. See also our answer to question 6 below.

**Consultation Q6: Strategic Plans and meeting local needs**

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.

**PlaceShapers Response**

We are fully supportive of the need for effective planning and oversight for the revised funding framework and welcome the expectation that existing provision will be protected in full as well as requirements to undertake a regular mapping of current and future needs. We have a number of comments on how this might be strengthened in practice:

- Firstly, the statement of expectations is too focused on local authorities and within that fails to reflect differing structures within local government including devolved regional authorities.
- Secondly, effective planning must be a collaboration between providers, local authorities and other interested parties such as the Home Office and Ministry of Justice. The wider value for money obtained from providing community focused supported housing means that these partners have a key interest in current and future provision.
- The need to produce local strategic plans for supported housing with updated needs assessments requires statutory backing. Resource pressures within local government and other public-sector services mean that 'encouragement' will not be sufficient despite good intentions.
- National expectations and local plans need to cover the full range of interventions so that they are not weighted towards statutory obligations alone and recognise the wider value for money benefits of early intervention.
- Local supported housing plans need to be linked to separately produced housing development plans with planning authorities required to include the proportion of any new housing developments which should typically be devoted to providing the identified supported housing requirements.

**Consultation Q7: Local connection**

Do you currently have arrangements in place on providing for those with no local connection? [Yes/No] If yes what are your arrangements?

**PlaceShapers Response**

This question is aimed at local authorities and we cannot comment collectively.

**Consultation Q8: Commissioning**

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?

**PlaceShapers Response**

See response to previous questions. This will only be achieved with statutory backing for planning and commissioning arrangements accompanied by clearly defined grant conditions to protect the full range of provision. Effective planning and commissioning requires joint input from all stakeholders, including providers.

**Consultation Q9: Implementation**

How will you prepare for implementation in 2020, and what can the Government do to facilitate this?

**PlaceShapers Response**

We do not believe that the proposed implementation date for the new funding model for short-term supported housing is achievable by 2020 given the many emerging issues to be resolved. Pushing this back to 2022 would make achieving statutory backing for the ring-fenced grant more realistic (with parliamentary time freed up after Brexit) and could provide a window for piloting the agreed revised approach between 2020-2022 in regions / areas with varying forms of administration and levels of provision. In order to protect existing and future provision it is more important that the revised funding model is fit for purpose than it is to chase an arbitrary implementation date.

**Consultation Q10: Implementation**

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

**PlaceShapers Response**

See previous response.

**Consultation Q11: Overall**

If you have any further comments on any aspect of our proposals for short-term supported housing, please could you state them here.

**PlaceShapers Response**

No.