

## Funding Supported Housing

### Consultation on housing costs for short-term supported accommodation

#### Executive Summary

***Riverside is one of the largest charitable housing association groups in the country, owning and managing over 53,000 homes across England and Scotland. We are a large provider of supported housing, delivering homes and services to over 10,000 customers across 872 services. We are England's third largest provider of homelessness services.***

We welcome the Government's consultation on the Funding of Supported Housing and acknowledge that in bringing forward the current proposals, it has listened to sector concerns about the arbitrary capping of benefits to meet housing costs. Whilst we support the principles of the new funding regime, we have deep concerns about some of the details, in particular the broad definition of 'short-term' supported housing which is to be funded through a new model of local scheme-based grants.

The Government has stated 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*”. This is a bold and hugely encouraging statement, however we do not believe that the proposals in their current form can achieve this important commitment through a local, cash-limited grant funding model, with or without a ring-fence. We are concerned that the proposed new model will result in:

- A lost opportunity to prepare tenants to engage with the welfare system whilst living in intensively managed transitional housing.
- The return to an institutionalised model of supported housing with a loss of basic rights for residents, many of whom live in self-contained accommodation with secure rights of occupation.
- A loss of independence for providers, who will become completely reliant on local authorities for funding to cover **all** of their housing costs, including repairs, cleaning, utilities, and meeting loan repayments. This will undermine viability and stifle innovation.
- A significant reduction in investment, with providers finding it increasingly difficult to access long-term private finance, because of a lack of assurance about long-term income streams.

To address these concerns, we recommend the following changes:

- The default position for residents living in supported housing (including short-term) should be that their housing costs continue to be met through the main welfare benefit system.
- The administration of Universal Credit – and in particular the speed with which claims are administered – should be reviewed, so that it can work better for tenants living in supported housing, building on the Trusted Partner model already being used by many social landlords.
- Providers should be able to ‘opt’ into a localised scheme-based grant system, for the small number of schemes where the typical length of stay is such that it will not be possible for tenants to establish a UC claim to cover their housing costs. This would narrow the definition of ‘short-term’, restricting the new funding model to ‘very’ short-term or crisis supported housing. Funding should also be made available through these local grants to enable providers to reclaim housing costs incurred in schemes which are not part of the localised funding system, but where tenancies end before a UC claim is established. This would be funded through welfare savings.
- This localised system should also fund any staffing costs currently met through housing benefit, but which will not be eligible to be met through UC under revised service charge eligibility rules – this would include intensive housing management costs. This would mean that, other than in the case of very short-term supported housing, people-based services would be commissioned by local authorities and paid through grant funding, and housing costs would be met through the welfare system.

These revised proposals do not change the principles of the Government’s proposed funding model, but will better help it achieve its objectives of securing supply and strengthening a focus on outcomes and value within the modernised welfare system.

**Question 1: Do you agree with this definition (of short-term supported housing)? [Yes/No] Please comment**

***No, we consider the definition to be far too wide. Specifically we believe that the definition, and associated local grant model, should be restricted to “very short-term accommodation with support accessed after a crisis”, rather than extended to include all transitional supported housing provided for a period of up to two years. In other words the definition should be confined to accommodation occupied for days or weeks, rather than months.***

**‘Short-term’ vs ‘very short-term’ or crisis supported housing**

The proposed definition of short-term supported housing captures a broad spectrum of schemes and services – from overnight crisis accommodation for rough sleepers in winter months, through to intermediate self-contained housing in intensively managed schemes, which can represent the final step on a journey before a customer is able to sustain their own tenancy in mainstream housing. Nearly half of our short-term supported housing (44%) is self-contained – that is houses or flats with their own facilities. The three case studies set out in appendix 1 illustrate the range of schemes and services covered by the proposed definition.

We have undertaken an exercise to categorise our schemes using the definitions set out in the consultation. The majority of Riverside’s supported housing (excluding sheltered and extra care) would fall into the proposed short-term definition, comprising 2618 bedspaces within 127 schemes – or 64% of our provision. These schemes generate an annual income of £22.6m, although they generally operate at very low profit margins – our supported housing as a whole generates an operating margin which is around 20% lower than our general needs accommodation.

An analysis of occupancy length for tenants living in Riverside’s short-term supported housing services (Government definition) reveals a clear distinction between ‘very short-term’/crisis and ‘short-term’ supported housing:

- Only 7 services (106 bedspaces) have an intended/maximum length of stay of less than three months, as agreed with the commissioning body and set out in the contract. This represents less than 6% of services. The vast majority (83%) have a maximum length of stay greater than 6 months.
- However looking over a three year period, only one of these services (1%) housed residents with a historic average tenancy length of less than three months, illustrating that despite the intended length of stay, tenants often remain in very short-term/crisis accommodation for longer periods, either because they are not ready to move, or because there is a shortage of suitable move-on accommodation. Analysing the same data, in 96% of Riverside’s short-term services, the historic average tenancy length was more than 6 months and in 80% of services the length of stay was greater than 12 months. This is further illustrated by table 1, which plots (by number of services) the historic length of stay, against the contractual maximum length of stay.

**Table 1: Historical vs contractual length of stay. Short-term supported housing (Riverside)**

Historical Tenancy Length	Actual contractual length of stay								Grand Total
	1-3 months	4-6 months	7-12 months	13-18 months	19-24 months	24 months	24 (As needed)	N/K	
1-3 months	1	0	0	0	0	0	0	0	1
4-6 months	2	0	0	0	0	0	0	0	2
7-12 months	1	2	5	1	0	2	2	0	13
13-18 months	1	2	2	0	0	3	2	3	13
19-24 months	2	3	3	1	0	4	0	2	15
25-36 months	0	2	1	1	0	8	1	0	13
> 36 months	0	0	1	0	0	18	0	3	22
No tenancy data	0	4	3	3	0	32	3	3	48
<b>Grand Total</b>	<b>7</b>	<b>13</b>	<b>15</b>	<b>6</b>	<b>0</b>	<b>67</b>	<b>8</b>	<b>11</b>	<b>127</b>

Table 2 shows a three year analysis of individual tenancy lengths - rather than scheme averages - within Riverside's so called 'short-term' supported housing. This illustrates a significant 'churn' of very-short term stays (27% under one month), although these represent a much smaller proportion of income (4%). This is because these tenancies are confined to a small number of properties which have a very high turnover.

**Table 2: Analysis of tenancy length: short-term supported housing, Riverside**

Short Term Tenancies	Under 1 Month		1 to 2 Months		2-6 Months		Over 6 Months		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
Tenancies	3,407	27%	2,287	18%	4,411	36%	2,293	18%	12,398	100%
Income	£1,356,417.55	4%	£2,924,617.04	8%	£13,347,396.88	35%	£20,671,322.34	54%	£38,299,753.81	100%

What this analysis demonstrates is that for Riverside, the vast majority of bedspaces in short-term accommodation are occupied by tenants who stay for months rather than days or weeks. Whilst there is 'churn' within every type of service, there is only a very small number of schemes which by design, are intended for very short-term or crisis stays. It is these services which we believe should be the focus of any new localised grant system.

**Why the proposed definition will not help the Government meet its objectives**

We understand there are three main drivers to create a local funding model for short-term supported housing:

- (i) To improve local oversight, through extending the local authority commissioning role in a way which will drive value for money
- (ii) To ensure that the funding system is compatible with the modernised welfare system, and in particular Universal Credit
- (iii) To provide funding certainty, and provide confidence to enable providers to invest (see question 2).

We do not believe that the proposed local funding model will improve local oversight and accountability. Even taking a medium term perspective, the majority of short-term supported provision will be in schemes that exist today, and so have already been 'commissioned' through the capital funding system, where providers have normally borrowed substantial long-term funding from private lenders. Housing costs (levied through rents and service charges) are predominantly 'bricks and mortar' costs, to pay for maintenance, facilities management and loan repayments. These do not lend themselves to a commissioning framework, where outcomes are counted in terms of numbers of bedspaces, and the quality and cost of maintenance and cleaning services. These are already regulated. Developing a system where these established housing costs are retrospectively commissioned by every local authority (despite historic capital funding commitments), would be very expensive and disproportionate given the size of the short-term supported housing sector - 9% of supported housing overall. It would also be contrived, serving to confuse rather than improve oversight. Further, there are already value for money drivers in the system – rents are regulated, and service charges are subject to landlord and tenant legislation giving individual tenants the right to consultation, backed by a tribunal system. And through the benefit system, local authorities/DWP are empowered to challenge housing costs where they consider them to be unreasonable.

We also believe that concerns about the incompatibility of short-term supported housing with Universal Credit are overstated. As we have already demonstrated, most of our tenants living in this form of transitional housing have lengths of occupancy which would enable them to establish a UC claim to meet their housing costs, particularly given the support they receive from their landlords and support providers. In fact many tenants living in short-term supported housing remain for longer periods than those living in the private rented sector – the most recently published Arla PropertyMark Report (October 2017) suggests that the average length of tenancy in the private rented sector is 18 months.

Furthermore, administrative changes have already been made to UC to reflect the circumstances of tenants living in social housing, and the relationship they have with their landlords – for example the introduction of the Landlord Portal and creation of the Trusted Partner programme. We see no reason why these mechanism, suitably adapted for supported housing, should not accelerate the claims process and, where necessary for vulnerable tenants, ensure that the housing cost element of UC is paid directly to the landlord until the claimant has built up the skills to manage their own claim.

In fact there is a huge advantage in ensuring that the majority of residents living in short-term supported housing have their housing costs met through the benefit system. Supported housing provides the perfect opportunity to equip tenants to manage their own money as part of the process of transition, including navigating the benefit system. Talking to our front-line supported housing staff, they believe that severing any relationship between a tenant and their housing costs would be a backward step and missed opportunity. They believe that directly funding the majority of short-term accommodation through a local scheme based grant would represent a return to a more institutionalised model.

Finally there is no real evidence that a benefit backed rental income model of funding short-term supported housing presents a significant work disincentive, as is implied by the consultation. Despite the fact that most of our residents living in this type of accommodation are some distance away from the labour market when they are referred, employment support is often a key part of many of our services, where we actively work with residents to develop their employability and broader life skills. Since April 2017, of 2542 tenants moving into our supported housing schemes, we have helped 208 into paid work.

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

The third outcome the Government is seeking from a new model is funding certainty. This is essential:

- For customers – in that it underpins their sense of security in their home (even if transitional), putting them on an equal footing to other tenants living in social housing and the private rented sector.
- For providers – in that it underpins their financial viability, providing confidence to invest in both new and existing provision through long-term private borrowing. It also drives independence and innovation.
- For local authorities – by giving them confidence that there will be an adequate and growing supply to meet need in their areas.

We do not believe that the proposed funding model provides the necessary assurance that costs will be met.

In essence the proposal represents a paradigm shift in the funding model for short-term supported housing. Income streams will no longer be within the control of the provider through levying rents and service charges backed by an entitlement based benefit system, but rather will be subject to short-term local funding decisions about block grants.

We have no doubt that in April 2020, it is the Government's intention to provide funding to local authorities at the level currently supported through the benefit system. But even with the promised ring-fence, it cannot provide long-term assurance that this level of funding will be maintained or varied to meet need, or even if it is, that it will not be used by hard-pressed local authorities for other purposes. The current Government cannot bind the hands of its successors, and even if an effective method for establishing long-term need is devised, funding assurances can only be agreed within the scope and timeframes of government spending reviews (often three years), subject to the Chancellor's annual Budget. In these circumstances, it is very difficult to imagine a situation where local authorities will be able to commission housing services in ways which are binding, for periods of any longer than three years. Longer contracts may be offered on paper, but they are

likely to be subject to break clauses reflecting the lack of assurance local authorities will have on their own long-term funding positions.

These fears are not without foundation. The closest precedent is the Supporting People funding regime, which was generously funded on its introduction in 2003, but which has seen massive reductions in funding since the ring-fence was removed in 2009, followed by significant reductions in local authority funding settlements as part of the drive to tackle the national deficit. National Audit Office analysis (2017) has shown that Supporting People spending by local authorities has fallen by 59% in real terms since 2010-11 (from £1.44 billion to £588 million).

Interesting parallels can also be drawn with the replacement of Council Tax Benefit in 2013 (a means-tested benefit based on entitlement) with the localised system of cash limited Local Council Tax Support (LCTS), where central government funding to local authorities was immediately trimmed by 10%. Local authorities were charged with designing their own systems, and since then many have revised them, requiring increasingly high levels of contributions from low-income residents whose costs were previously met through the benefit system. Given that this is not ring-fenced funding, the Ollerenshaw Review of Local Council Tax Support Schemes (2016) concluded that “since 2014-15, it has not been possible for councils to identify how much funding Government is providing for LCTS schemes”. So five years on from the localisation of a means tested benefit and its move from Annual Managed Expenditure (AME) to Departmental Expenditure Limits (DEL), many individuals have seen reductions in the support they receive, and at local authority level, there is no real transparency about how much is being spent.

We are not claiming that significant funding reductions for short-term supported housing are the inevitable consequence of moving from a model of support for housing costs underpinned by benefit backed rents, but rather use these examples to demonstrate the fundamental reduction in the level of assurance that will be available to residents, providers (and their funders) and local authorities about the long-term security of this funding. Of course benefit systems can change too, however we would observe that to date, benefits to meet the housing costs of tenants living in supported housing have been remarkably well protected given the wider context of welfare reform, and even then can only change with appropriate Parliamentary scrutiny.

### **Impact on investment**

We are concerned that this shift will have a significant impact on investment: both in much needed new provision, and existing stock, where re-investment is a constant challenge to ensure that schemes remain sustainable. Over the past six years, Riverside has re-invested £22m in its existing supported housing (£66m if sheltered housing is included). Going forward, our 5 year budget for re-investment in existing stock is £52m.

The proposals as currently drafted have the potential to compromise the ability of the sector to secure long-term borrowing at competitive rates to meet this investment need. Whilst an immediate, direct effect is unlikely to be felt by a large organisation such as Riverside, the same may not be true for smaller or more specialist organisations where short-term supported accommodation is a considerable part of their portfolio. In these cases, our concern is that lenders will not be able to give the same weight to income which is only guaranteed for relatively short periods of time (even where this income is being provided by local authorities) as compared to the existing relatively secure income from rents, backed by the welfare system.

We have had the opportunity to test the proposals with a range of major lenders to the sector. The themes and feedback from all were consistent:

- **Lending decisions are based on the overall strength of the balance sheet of the potential borrower.** Where a greater percentage of the balance sheet consists of short-term supported housing, the proposed changes to funding would cause lenders to re-evaluate how much they were willing to lend to housing providers and on what terms.
- **Security for lending is of real concern.** It was mooted that the proposals may impact on the valuation of short-term supported stock. This not only potentially means an impairment of value of existing stock, but also that currently unencumbered assets would be less able to support new funding going forward. This would eventually become an issue for even a diversified organisation such as Riverside, potentially impacting on our future ability to raise all the funds required to maintain our wider development programme.
- **A wariness towards ring-fenced, local authority funding.** Many of the lenders we spoke to have been specialists in the sector for a long time. They expressed concern at the ability of local authorities to be able to administer a localised funding system in the current economic climate, without significant additional resources being made available to them. Lenders in general expressed a preference for the responsibility of administering the funding for the bricks and mortar of secured properties to remain with providers, who have the expertise and resourcing in place to continue ensuring the value of secured assets remains unimpeded across the life of any borrowing.

We also took the opportunity to test the valuation point with senior valuers who specialise in social housing, including supported accommodation. They expressed a range of views, one looking at the detailed mechanics of how valuations for these types of property are undertaken for security valuation purposes, and another taking a more holistic and positive perspective of Government intentions. From a technical perspective, it was suggested that valuing supported stock is already complex, but that the proposed changes could make valuations even more difficult, especially if there is to be no 'rent' figure associated with the units; 'rental income' is the cornerstone on which all EUV-SH valuations are built. It was suggested that with no other alternative, the Local Housing Allowance (LHA) would be likely to feature heavily in valuations for such stock going forward, in turn introducing an unnecessary



element of postcode lottery into property valuations given the variation in LHA rates across the country. Ultimately it will be a case of needing to 'wait and see' if there is any knock on effect to valuations, but the fact there is uncertainty will not help providers who are trying to access funding at this time.

To summarise, one key lender to the sector was able to share the following comments with us on the record:

*“As a long term investor in Housing Associations we assess and monitor the certainty and longevity/sustainability of the revenue streams that service our investment. We predict that the environment of continuing pressures on Local Authority revenue grants is likely to persist into the mid-2020s.*

*As a consequence THFC risk-ranks HA business streams linked to local authority revenue funding streams as higher risk. Where this source of income represents a sub-critical part of turnover, we expect a Housing Association to be able to evidence to us how their commitment to this business-stream is sustainable. Where the income represents a significant proportion of turnover I would expect our Credit Committee to decline requests for new funding and to put the monitoring of any existing investments on our intensive watch list.”*

**Piers Williamson, Chief Executive, THFC**

### **Alternative design features that will provide assurance**

We propose that the model for short-term supported housing is amended in the following ways:

- **The default position for residents living in supported housing (including short-term) should be that their housing costs should continue to be met through the main welfare benefits system.**
- **The administration of Universal Credit – and in particular the speed with which claims are administered – should be reviewed**, so that it can work better for tenants living in supported housing, building on the Trusted Partner model already being used with many social landlords. We believe this will benefit both claimants and DWP, as providers work intensively with their tenants to help them navigate the new benefit system. We are proposing to commission a piece of work to explore what practical steps could be taken to achieve this.
- **Providers should be able to ‘opt’ into a localised scheme-based grant system, for the small number of schemes where the typical length of stay is such that it will not be possible for tenants to establish UC claims to cover their housing costs.** This would narrow the definition of ‘short-term’ supported housing, restricting the new model to ‘very’ short-term or crisis supported housing. Funding should also be made available through local grants to enable providers to reclaim housing costs incurred in schemes which are not part of the localised funding system, but where tenancies end before a UC claim is established. This would be funded through welfare savings, and would reflect

current arrangements in a number of local authority areas whereby housing benefit is paid for very short stays where a claim has not been established. Funding provided to local authorities to establish this more limited model should be ring-fenced, with the ring-fence established on a statutory basis, even if this is in retrospect because of a lack of Parliamentary time.

- **This localised system should also fund any staffing costs currently met through housing benefit, but which will not be eligible to be met through UC under revised service charge eligibility rules** – this would include intensive housing management costs. This would mean that, other than in the case of very short-term or crisis supported housing, people-based services would be commissioned by local authorities and paid through grant funding, and housing costs would be met through the welfare system.

**Question 3b) 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)?**

b) Riverside works across 136 local authorities and our experience is very mixed. Some local authorities have Supported Housing Plans and have involved providers in their formulation from an early stage. For example in Wakefield, commissioners have met on a regular basis with providers and held a number of workshops in order to draw up their Supported Housing Plan. Local supported housing managers also sit on the Strategic Housing Management group for the local authority. Other local authorities incorporate some elements of supported housing in other strategies, such as their homelessness strategy.

By way of contrast we have experience of other local authorities who do not have any Supported Housing Plans, and who fail to consult when they draw up other related strategies or when devising new commissioning arrangements. In two-tier local authority areas, engagement can be particularly weak, as often there is a lack of a joined-up approach between housing (at the lower tier) and commissioning (at the upper).

c) An effective Supported Housing Plan would need to be integrated with a range of other strategies, including but not limited to: Housing Strategy, Mental Health Strategy, Learning Disability Strategy, Substance Misuse Strategy, Local Strategic Needs Assessments, Equalities Action Plan, Homelessness Strategy (or any strategy related to the Homelessness Reduction Act), Young Persons Strategy, and Safeguarding Strategy. It must be co-produced by housing and commissioning teams – even where they are hosted by different authorities in two tier arrangements – in consultation with providers, their representatives and other significant stakeholders.

**Question 4 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**

**b)** Yes, both. Whilst we have very clear data on our own provision – including costs and outcomes - we have a more limited picture of demand, which tends to be restricted to referrals to particular services, and information shared between local authorities and providers. Assessment of demand is often based on the numbers of applicants being turned away from services – which does not necessarily capture the level of need across an entire area.

Whilst we can lack a comprehensive whole area or regional view about demand for particular client groups, from time to time we have been involved in commissioning specific research where there are significant gaps in knowledge. One example of this is research we commissioned with Stoll and Forces in Mind Trust to consider the demand for supported housing from single veterans, [Meeting the housing and support needs of single veterans in Great Britain](#). This research was undertaken by the Centre for Housing Policy at the University of York, and probably provides the most comprehensive picture of supply and demand within this important sector.

In areas where the SP Providers reporting framework is still in place, this should be able to indicate the level of provision and demand for commissioned services. However, in two tier authorities, there are often multiple systems in use. The lower tier authority has no jurisdiction over providers (as they do not commission services) but often a better understanding of provision – and often request that providers report to them too. Our experience is that the reporting and monitoring tools used by lower tier authorities are often of poor quality as they are relying on the good will of providers to complete these.

**c)** Achieving the needs assessments set out in the National Statement of Expectation will only be possible if sufficiently resourced by central government. Whilst we welcome the delay in implementation of the new funding model from April 2019 to April 2020, we are concerned about how little time local authorities will have to undertake needs assessments and the mapping of existing provision. Many local authorities lack the resources or skills to do this and will need to recruit new staff or upskill existing staff - they urgently need to know what level of New Burdens grant or any other resources will be available to them.

In establishing need, there also needs to be complete methodological consistency across all local authority areas, with government providing appropriate guidance – without this there can be no assurance that the figures are accurate and can be aggregated upwards. If needs and provision are to be mapped accurately, there will need to be a particular focus on identifying and engaging with non-commissioned

supported housing services and unsupported temporary accommodation where costs are met exclusively through the benefit system.

A national reporting tool would also be beneficial, again to ensure consistency and that outcomes can be easily compared.

**Question 5: Do you agree with this approach? [Yes/No]. Please comment.**

We are not opposed to this approach but have some concerns that if allocated to the upper tier authority then services for certain non-statutory client groups will not be protected. It is important that all provision is fairly and sustainably funded. Two tier authorities must work together in undertaking needs assessments, drawing up Supported Housing Plans and ensuring that housing teams (lower tier) and commissioning teams (upper tier) work together. There needs to be a mechanism to enable districts to challenge funding decisions by the upper tier authority.

**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**

We welcome the draft statement, and believe that a framework which establishes the responsibilities of local authorities and other stakeholders will be essential in providing government with the data they need to allocate resources, and the assurance that any localised funding is being spent consistently and effectively.

Through the National Statement of Expectation, Government should ensure that local authorities consult with and actively engage housing providers in mapping provision, assessing long-term need, and putting in place effective plans. Whilst mentioned on p48 of the draft National Statement, providers come towards the end of a very long list of stakeholders, yet will often have invaluable insight into the planning and delivery of supported housing services. A government devised engagement framework or guidance document would be welcome to ensure collaboration is meaningful and consistent across local authority areas.

The Statement (or accompanying guidance) should also clearly set out a common methodology for establishing and forecasting need if credible national and local funding requirements are to be established.

The Homelessness Reduction Act will mean that local authorities have duties to try and prevent homelessness irrespective of local connection. We welcome the draft National Statement of Expectation explicitly stating that local authorities should identify and plan to accommodate and support people in need, who need to move to an area where they have no local connection. However, we would like to see the inclusion of a specific reference to ex-services veterans. Veterans are often an overlooked group, and despite specific legislation that local authorities cannot

disqualify members of the Armed Forces and former service personnel on the grounds that they do not have a local connection, this is not always the lived experience on the ground.

In our experience, local authorities are also often reluctant to provide revenue funding for support from limited, for veterans' services which they perceive to be a national service. There needs to be explicit protection for veterans and the funding of veterans' schemes acknowledged in the National Statement of Expectation.

In addition to the National Statement of Expectation, grant conditions imposed by Government will become important in setting the framework for local grant funding. Government should put draft grant conditions out to consultation to enable both local authorities and providers to comment.

**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?**

Yes, but only in a few of the local authorities we work in. Most local authorities will only take certain client groups without a local connection: women fleeing domestic violence, and, to a much lesser extent, some local authorities also accept veterans or asylum seekers (though they must have paperwork to allow them to access Housing Benefit).

In two tier authority areas, we have some more formal arrangements where tenants might live outside the district council area (lower tier) but within the same county (upper tier). For example, in Guildford Borough Council, 30% of the beds are designated to customers from across Surrey.

For many other local authorities there is no formal arrangement for those without a local connection, but if there are empty beds and no referrals with a local connection, the service can take non-local connection tenants in, but only if the originating local authority provides a written statement confirming their local connection will remain in place despite them accessing services in another borough, and that they will provide move-on options when the tenant is ready.

We do not work in any local authorities that will take anyone without a local connection without a guarantee that they will be rehoused elsewhere, unless they are one of the client groups listed above. Under the Homelessness Reduction Act, local authorities will be required to prevent homelessness, and to secure housing for 56 days, regardless of local connection (as of April 2018), but we have yet seen little evidence of local authorities developing protocols to deal with this.

**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?**

Our proposal is that all support costs (including any of those currently being met through housing benefit) are met through local authority commissioning but that accommodation costs continue to be funded through rents, backed by the benefit system - except in the case of 'very short-term' or crisis supported housing.

Alignment will be achieved through ensuring there are credible Supported Housing Plans in place in every local authority area, developed in partnership with providers and other stakeholders, using a consistent methodology and backed by comprehensive needs analysis. These strategies should be used to inform both the commissioning of new provision (through local authority influence on capital programmes such as those overseen by Homes England and Department of Health) and the direct commissioning of housing support services.

**Question 9: How will you prepare for implementation in 2020, and what can the Government do to facilitate this?**

As a provider, we will need to categorise our care and support accommodation into sheltered and extra-care housing, 'long-term' supported housing and 'short-term' supported housing – depending on the final policy after the consultation.

Providers will need to engage meaningfully with local authorities to map current provision - this is especially key for non-commissioned services and assessing long-term need. Through the National Statement of Expectation, government should ensure that local authorities consult with and actively engage housing providers in mapping provision, assessing long-term need, and putting in place effective plans. Whilst mentioned on p48 of the draft National Statement, providers come towards the end of a very long list of stakeholders, yet will often have invaluable insight into the planning and delivery of supported housing services. A government devised engagement framework or guidance document would be welcome to ensure collaboration is meaningful and consistent across local authority areas.

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

Our proposal is for housing costs for the majority of claimants living in short-term supported housing to continue to be met through the welfare system. Whilst this approach in itself would not require testing, we have also proposed that the administration of UC should be tailored to suit the circumstances of claimants living in supported housing, building on the Trusted Partner initiative. This could involve providers undertaking elements of the processing and verification of claims on behalf of DWP, given their existing relationship with hard-to-reach, vulnerable customers. It

might also involve JCP Work Coaches being assigned to individual supported housing schemes, where they would run surgeries and organise employment support and training in collaboration with providers.

This approach should be designed by DWP working in collaboration with the sector, and then piloted in a number of UC Full-Service areas, starting in 2018/19. Areas should be chosen which incorporate a range of short-term services.

**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.**

Government should conduct an urgent equalities analysis on the proposals to ensure they comply with the Public Sector Equality Duty.

There are recommendations from the Task and Finish groups that have not been included in the consultation response including funding certain national services separately such as refuges. We would advocate that veterans' accommodation should also be funded at a national level. There is limited veterans' accommodation across the country and local authorities do not prioritise funding for what is perceived to be a national service.

## **Appendix 1: The Spectrum of Short-term Supported Housing**

### **Railway Road – No Second Night Out and Emergency Beds (Leigh, Lancs)**

As part of the Railway Road Project in Leigh, access to 8 emergency beds is provided in dorm style accommodation to homeless men and woman who have been sleeping on the streets or have just been released from prison. This is intended to be very short term accommodation and customers typically stay for around 16 days. After this they can move on to the Railway Road Hostel which provides one-to-one specialised support in hostel based accommodation providing single rooms with shared facilities for stays of up to one year. Alternatively customers may move into dispersed self-contained supported accommodation in the area for up to one year.

### **Jamaica Street (Bristol)**

Based in Bristol, the Jamaica Street Level 1 emergency scheme provides a mix of self-contained flats and single rooms. It caters for extremely vulnerable and chaotic customers who typically have a background of rough sleeping and complex needs. There is also provision for those fleeing domestic violence or suffering from post-traumatic stress disorder. The intention is for customers to remain here for up to 4 months, however length of stay is dictated by specific customer needs as opposed to a contract, which means many clients typically stay for between 8 and 12 months.

### **Shaw Street (Liverpool)**

Based in Everton, Shaw Street provides support and accommodation for young people with low to medium support needs who find themselves homeless for whatever reason. The scheme consists of 20 self-contained flats and caters for both male and female clients between the age of 16 and 21 and offers low level, day time support. This support includes life skills around budgeting and applying for a permanent home as well as advice on care & counselling and linking clients to agencies & services within the community. The intention is for customers to stay around 6 months, however this is a flexible rather than contractual length of stay and many will stay longer depending on their needs and availability of appropriate alternative accommodation.