

NORTH YORKSHIRE COUNTY COUNCIL**Care and Independence Overview and Scrutiny Committee****28 June 2018****Supported Housing Consultation****1.0 Purpose of Report**

- 1.1 To provide an overview of the response to the Department for Work and Pensions consultations on Funding for Supported Housing.

2.0 Background

- 2.1 Supported housing helps hundreds of thousands of vulnerable people in England – from the elderly, homeless and victims of domestic violence to those living with disabilities, mental ill-health or addiction issues. It is that key link for those who need it between hospital and independence, helping them get back on their feet. It is also an important investment which brings savings to other parts of the public sector, such as health and social care.

3.0 Reform of Supported Housing Costs

- 3.1 The Government first committed to reforming the funding for housing costs of supported housing in September 2016 along with a stated commitment to protecting and boosting the supply of supported housing as an important component of a transformed health and social care system.
- 3.2 The government proposals were subject to consultation between October 2017 and January 2018. A response to the consultation is expected in summer of 2018.
- 3.3 The funding and models of supported housing are complex and in order to be viable often have a variety of funding going in – this includes grant and charitable funding, contracted payments for support, rent and service charges (housing costs).
- 3.4 The models proposed for the funding of the housing costs of supported housing are:
- For sheltered housing and extra care the Government is proposing a “sheltered rent” – this means that the Government recognises that rents may be higher than in general needs housing. Tenants would continue to be responsible for their rent and receive financial assistance through housing benefits dependant on circumstances.
 - For short term supported housing (in North Yorkshire accommodation such as refuges, accommodation for people with mental health problems,

veterans etc.) the Government is proposing that this is funded and commissioned by local authorities (upper tier) through a grant from local authorities. The grant will be ring-fenced with a commitment to maintain it indefinitely and take account of future needs.

- For longer term supported housing (such as for people with learning disabilities), it is intended that the rent costs remain in the welfare system (that is that tenants remain responsible for their rent) with further work to be done to address cost effectiveness.

3.5 The new models would sit alongside local authorities developing a supported housing strategy which would set out the needs for supported housing and how they will be addressed

3.6 This proposal needs to be considered alongside the fact that the Council currently funds the support element of some supported housing.

3.7 The Council submitted a joint response with the District and Borough councils. The key points made were:

- Government must ensure that sufficient funding is provided to meet current needs, guarantee the ring fence in the long term and consider five year settlements.
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- Local authorities must have sufficient flexibility to develop the commissioning and oversight arrangements to meet their local needs and maximise the potential to bring housing and the commissioning of supported housing more centrally into joint arrangements with health and social care.
- There must be sufficient and timely New Burdens funding to implement and manage the arrangements and a light touch approach to national monitoring national monitoring.

4.0 Recommendations

4.1 The Care and Independence Overview and Scrutiny Committee is recommended to note the information in this report.

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19 June 2018 Background Documents Nil

North Yorkshire Submission to Supported Housing Consultation

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

22nd January 2018

Key points

- Government must ensure that sufficient funding is provided to meet current needs, guarantee the ring fence in the long term and consider five year settlements.
- Local authorities must have sufficient flexibility to develop the commissioning and oversight arrangements to meet their local needs and maximise the potential to bring housing and the commissioning of supported housing more centrally into joint arrangements with health and social care.
- There must be sufficient and timely New Burdens funding to implement and manage the arrangements and a light touch approach to national monitoring.
- We ask that 2020/2021 should pilot shadow allocations so that Government can be sure that funding is sufficient.

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

A qualified yes: from experience there does need to be some flexibility for people with complex issues which may go over the two years, particularly in areas such as North Yorkshire with severe housing pressure. However, this timescale can be a perverse incentive to stay longer in the scarce resource of supported housing. We therefore need the flexibility locally to determine on a scheme by scheme basis the most appropriate length of stay.

The definition needs to take account, not only the length of time but be comprehensive about the type of temporary supported accommodation. We would welcome clarity about whether dispersed properties will be included, where there are additional management costs

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

Importantly, the initial baseline of existing provision needs to be calculated accurately through a comprehensive mapping exercise of the financial resources that are already being used for rents and eligible service charges in order that the new arrangements start on a sustainable basis. The Supported Housing

Evidence Review did not undertake comprehensive mapping at a local authority level. This would need to be developed using a combination of information from providers and local housing benefit payment data.

We would ask the Government to guarantee the ring-fence in the long term and commit to a five-year grant settlement in order to give providers the certainty they need to continue investing in short-term supported housing for vulnerable people. As the Government proposes asking councils to set out plans for meeting supported housing need over five years, this must be the length of time covered by the ring-fenced grant. Through the twice yearly monitoring, we need a mechanism to respond to changes in local need during the five-year period, in particular to reflect a need for growth in supply and to take account of inflation.

We would like to emphasise that rents and eligible service charges *in this sector* in North Yorkshire have, when benchmarked with other local authorities, always been low. Therefore we do not feel that there are opportunities for “value for money” savings within existing provision if that is expected. Conversely, in order to develop the level of provision that provides a good and safe service, we may find that additional funding is required in current provision.

As well as this detailed work to fully understand the current baseline we would like to know how the current projections of future need will be determined and the timescales involved. Further clarity on how provision to grow supply will be reflected in the funding model so that councils are not left facing a future funding gap. Given the overall funding challenges facing councils, there must be no expectation that councils can meet any shortfall now or in the future. We would be concerned if the intention is for Government to use a formula based approach to determine future allocations of funding to North Yorkshire for this provision as the experience of the Supporting People funding formula was detrimental to North Yorkshire.

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)?**

We do not have a specific supported housing plan. Plans for supported housing are explicitly mentioned in a number of strategies and plans including :
York, North Yorkshire and East Riding Housing Strategy 2015-21
Care and Support Where I Live Strategy
Live well, live longer – Learning Disabilities Strategy for North Yorkshire 2017-2022

Hope, Choice and Control) – North Yorkshire Mental Health Strategy
Domestic Abuse Commissioning Plan.

As long as councils can demonstrate to Government that they have clearly articulated plans in place for supported housing and can meet the grant conditions in relation to short term supported housing, there should not be a national requirement for a stand-alone plan and this should be a decision for the local partnership.

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]

Needs assessments for supported housing for vulnerable groups has always proved a challenge to policy makers as there is a lack of any clear, consistent, reliable, and verifiable methodology for undertaking such assessments.

If a methodology for needs assessment is developed, it should be in agreement with local authorities and applied in a consistent way across the country.

Experience with supported housing for vulnerable groups has shown that vulnerable people in need of supported housing, cannot be simply identified by labelling them wholly as being part of one discrete client group e.g. homeless, mental health, substance misuse and have a range of support needs.

In any case, a needs assessment approach has always to be balanced against local circumstances and policies. When needs for all groups are important, experience has shown that it is a sensitive process to be able to prioritise competing priorities which requires a mature partnership approach and good governance arrangements locally.

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.

Q5

We agree that the County Council is well placed to support good strategic planning and commissioning for the key groups who are likely to need supported housing. However the County Council does not have the skills and expertise to manage the housing delivery elements of this.

However, whatever the final outcome of who should hold the funding, in North Yorkshire we would set up joint governance arrangements for commissioning with agreed decision-making processes and administrative arrangements. All councils in North Yorkshire would play their part and have a role in the governance and decision-making for any new arrangements. The partnership arrangements would need to ensure that the needs of all vulnerable people in North Yorkshire are considered on a fair basis. As with all local authority duties, the arrangement will comply with the public sector equality duty.

An option may be, in North Yorkshire, that funding in part or full is derogated to lower tier authorities if that makes sense.

As part of any implementation of future proposals, we would explore how we can make best use of the Health and Wellbeing Board, and its Joint Commissioning Board, and the Chief Housing Officers' Group, to provide the over-arching partnership arrangements and offer the potential to bring housing and the commissioning of supported housing more centrally into joint arrangements with health and social care.

Q6

With respect to any arrangements nationally, we would propose that they are 'light touch' with minimum additional burden to local authorities. Existing national outcome frameworks, could, in time, be amended to include supported housing.

Local authorities need the flexibility to plan the implementation of this new responsibility within their existing partnership and administrative processes and systems. We would anticipate that, in North Yorkshire, as previously documented, joint partnership arrangements would be developed. We would encourage, where possible, the adoption of benchmarking and peer review between authorities and the active involvement of people who use services. Some element of the oversight may be more appropriately provided by District/Borough Councils who have specialised staff dealing with housing conditions.

Providers in North Yorkshire would like to be assured that the funding for the oversight arrangements should not come from the short-term supported housing pot, but should be part of the New Burdens.

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?

Provision, such as refuges and veteran accommodation take referrals country wide and for refuge accommodation there are reciprocal arrangements. There is no agreed protocol for the access to veterans accommodation. Support in this provision was originally funded in part by government, and local contribution is now minimal for support costs

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?

Q8

There is now no separate ring fenced funding stream for support costs. North Yorkshire County Council are not able to guarantee that even existing support funding will be retained, given the funding is not ring fenced and the County has a progressive savings target to find, and the current support provision will need to be reduced and reviewed over the next 2 years to meet savings requirements. Therefore, Government needs to consider how to safeguard and ring fence support funding rather than Upper tier authorities.

Supported housing has required the funding from both support and housing costs to be able to deliver safe environments and this proposal does not address this issue by keeping them separate.

We would also like to highlight that short-term accommodation sits alongside other support for vulnerable people and that people can need support in making the transition from temporary supported accommodation and in the longer term to make accommodation sustainable.

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?

Q9

Given the complexity of the change, we feel that full implementation by 2020 is extremely ambitious. We would propose that 2020/21 should pilot shadow allocations so that Government can be sure the funding is sufficient.

The Government needs to consider adequate funding for New Burdens and provide a decision as soon as possible and clear guidance throughout. The

implementation will require detailed planning involving a number of partners – providers, the County Council, District and Borough Councils, housing providers. There will be less than two years to mobilise and implement which will be a very tight timescale to cover all the stages required from final decision to the transitional arrangements for existing schemes.

There is a need to understand the breadth of impacts of the administration of this funding and the allocation of New Burdens funding would need to include an acknowledgement of the impact on local authorities.

Specific tasks would include:

- project management for the transitional period including baseline mapping, setting up of any new processes and systems required, communications with all parties and affected tenants
- consideration of inter-dependencies with other funding sources for individuals and services.
- development of commissioning policy and criteria development,
- relationship management between providers, commissioners and other agencies
- quality assurance and contract management.

Local authorities already have systems in place to monitor outcomes, quality of services and value for money and existing systems can be built on to provide the administrative and political oversight that will be required. This will, however create significant additional burdens on those existing systems and additional technical skills will be required.

We would also ask for special consideration to be given to the additional transactional and infrastructure costs borne by councils in remote rural and coastal communities and that the Government makes allowance for these burdens.

Q10

In principle, robust testing in order to design the detailed features of the scheme would be attractive. However, unless the date for full implementation is rolled back, it does not give sufficient time for learning from the pilot areas.

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.

Impact on people in short term accommodation

Without rent payments, it is unclear what the tenant/landlord relationship will be and therefore what impact that will have on rights and responsibilities. There is no reference at all to this in the consultation.

People living in short-term supported housing will still have to interact with Universal Credit as they may be eligible for non-housing Universal credit. We need to ensure that people get the appropriate advice and support to help them

and in the transition to help manage paying monthly when they leave short term supported accommodation.

We do not understand the statement below and would welcome clarification

- An individual's entitlement for help with their housing costs (through Housing Benefit or the housing cost element of Universal Credit) will be unchanged.

DRAFT

Question 1:

- **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?**

We have a range of 'sheltered housing' across the county. Broadly it includes properties where there are some restrictions on access to tenancies or to purchasing properties (usually age related). The schemes offer residents security both with regards to the likely mix of residents and often through physical access security.

There is usually at least one communal area and there is an expectation that there is some way of accessing support. This can be with a warden on site during office hours, a visiting warden or it can be through a responsive call system.

Schemes usually offer more accessible accommodation than standard housing but the specifications of schemes are very varied. There is not always a clear differentiation between the needs of residents in sheltered schemes compared to those who are supported to live independently at home.

- **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?**

Extra care housing provides alternative options, usually for those over the age of 55 who are planning for their possible future needs. Most schemes operate on the basis of a third of occupants having either no care/minimal or support need, a third with medium care and support requirements and the remaining third who may have higher levels of both care and support. Allocation of accommodation is usually undertaken in partnerships with the housing provider, support provider and the County Council

The buildings themselves are designed to a high specification and enable access to all parts for all residents enabling participation and a comfortable lifestyle. North Yorkshire would expect any scheme designated as Extra Care to meet the Councils' building and support standards, which are publicised on the Council's website.

We would expect the scheme to respond to local needs, including offering community facilities to a wider community than the schemes residents where appropriate. Support is available on site 24 hours a day and there is usually a care team operating on site. .

Increasingly we are using extra care in partnership with health partners including for step up and down facilities and for end of life care.

Extra Care is often more expensive than traditional sheltered housing, but with good management offers value for money and can meet increasing needs in a more targeted and cost effective way.

- **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?**

This risks confusing the issue – unless there is a range of additional support and services that is intrinsic to all properties designated for older people. It also risks undermining aspirations for Lifetime Homes if properties more suitable for older people are segregated in housing stock

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?’

- The different elements and the approach to calculating gross eligible service charges need to be clear and understandable.
- Whilst providing value for money the elements and levels must be sufficient to give provider confidence in developing new schemes and being able to charge and recoup rent and service charge costs, with the welfare system being able to fund these costs for individual residents where required, whilst ensuring that new schemes continue to be affordable for residents and other services that might be provided within the scheme such as respite, intermediate care, end of life planning etc.
- Any formula for a sheltered rents needs to take account of the challenges around rural provision.
- We know that in North Yorkshire housing costs vary considerable across the County, and that our costs do not reflect regional benchmarks. Setting a fair sheltered rent needs to take account of local issues.
- Smaller schemes could be more expensive. North Yorkshire is always careful to consider value for money, but to ensure local needs are met we will have some smaller schemes than larger urban areas.
- Sheltered rent levels need to adequately fund all of the housing costs, including the higher costs for extra care housing.
- We need to be mindful that many Extra Care Schemes are of mixed tenure and may residents who are capital rich but cash poor would still aspire to live n such schemes. Any provision for service charges within a sheltered rent should also be accessible for this cohort in addition to rent.

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?

- The definition of what extra care housing is – i.e. extra care is a model that has communal facilities, on site care provision and support etc. that then has an impact on the service charge element that is required
- Service charge levels are based on full cost recovery of genuine costs – the service charge levels are set every year based on actual costs incurred

- There are a wide number of things that drive variations but some are:
 - Geographical location
 - Scheme design, size and layout
 - Number of units
 - Level, type and size of facilities provided
 - Type of services needed/provided
- We need to be mindful that in more rural communities sizes of schemes are usually limited due to demand and the need for additional community services are increased. This can inflate the costs of such schemes and additional capacity should be included in any funding provision to take account of this.

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?

- Would have to reflect different levels and broad spectrum of needs and costs of the different types of accommodation/services e.g. sheltered levels would be different (lower) to extra care housing
- Would need to reflect different geographical locations and how this would impact on costs – North Yorkshire is a large county and we have 7 districts so costs would be different within locations across the county alone so any banded care approach would need to reflect this
- How would bands be determined and set – would they be at levels that will allow for full cost recovery otherwise will impact on viability/deliverability/affordability of future scheme development.
- More detailed work will need to be done to ensure that any new banded system does not become cost prohibitive and complicated.
- We will need to await outcome and final proposals before we are able to accurately determine the likely impact of the new proposals and have concerns that there may be a negative financial outcome for North Yorkshire districts.

QUESTIONS 5 AND 6 FOR PROVIDERS TO COMMENT UPON

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?

- North Yorkshire County Council has an excellent record of leading and supporting strategic commissioning planning for the provision of extra care housing across the county. This has required good working relationships with District and Borough Councils
- There are no formal partnership arrangements with regards to supported housing at present, but the Boroughs and Districts work collaboratively through the Chief Officers Housing Group and have a joint Housing Strategy, together with City of York and East Riding. North Yorkshire County Council works in collaboration with the Chief Housing Officers and there is a commitment to work in partnership in response to these changes

Question 9

Government has moved the implementation of the reform on sheltered and extra care accommodation to April 2020.

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

- There is a need to balance the uncertainty that an extended implementation period brings with the need to ensure that new arrangements are robust and without unforeseen consequences.
- Early indication of the approach to be taken to determine sheltered rents is required to allow good planning and to ensure that current schemes remain viable.
- Similarly information is essential as soon as possible about how planned and new schemes can be assured of access to appropriate funding.
- Without this information preparation will not be possible
- We will however be working with our housing colleagues to develop a supported housing strategy

Question 10:

Deferred implementation will allow for additional preparatory measures. What suggestions do you have for testing Sheltered Rent?

- This is a critical issue that needs to be right to ensure that any new proposals do not impact viability/deliverability of schemes
- Pilots or modelling of schemes under the new proposals but this would need to be done on a basis that tested and assesses the impact in different geographical areas so establish if any different impact in locations, particularly across North Yorkshire where the variations in cost differ according to district.
- Would need to model/test the proposals against schemes currently being brought forward for development
- Testing needs to consider a number of different factors in terms of impact on charge levels and costs recovery, affordability