



Future of funding for supported housing

Jo Linney

Future funding announcement



- 15th Sept written statement from DWP
- Consultation and evidence review published 21/11/16
- Provided little more detail but posed 12 questions
- Short term services no detail provided
- Direction of travel clear



- Now consultation until 13 February 2017
- And stakeholder events until February 2017
- Spring 2017 Green Paper on detailed model and distribution of funding
- Autumn 2017 detailed funding and Local Authority Allocations
- April 2018 – shadow year arrangements in place
- April 2019 – Full commencement of arrangements



- I. Fair access to funding, the detailed design of the ring-fence and whether other protections are needed for particular client groups to ensure appropriate access to funding, including for those without existing statutory duties;
- II. Clarifying expectations for local roles and responsibilities, including what planning, commissioning and partnership arrangements might be necessary locally;
- III. Confirming what further arrangements there should be to provide oversight and assurance for Government and taxpayers around ensuring value for money and quality outcomes focussed services;
- IV. Exploring the appropriate balance between local flexibility and provider certainty, including what other assurance can be provided beyond the ring-fence, for developers and investors to ensure a pipeline of new supply; and
- V. Developing options for workable funding model(s) for short term accommodation, including hostels and refuges.



What is known

Direction of travel

Rent reduction



- 1% rent reduction pa to be extended to all supported housing
- From April 2017 for 3 years
- Minor exemptions:
 - Specialised supported housing - technical definition, dependent on capital funding sources
 - Fully mutuals/ co-operatives
 - Alms houses
 - Community Land Trusts
 - Refuges
 - Where serious financial risk would result

Future funding arrangements



Two sources of funding:

- Local housing allowance through Housing benefit/ Universal Credit
 - (Pension credit?)
 - Local 'top up' fund from local authority
 - Introduced for all tenancies from April 2019
 - Ring fenced to ensure it is focused on commissioning services for older/ vulnerable people

Local Housing Allowance



- Core rent and eligible service charge will be met, up to the level of LHA
- Which is the lowest 30th percentile of local market rents for relevant property size
- Paid through HB or UB (housing cost element)
 - Pension credit - assume same as UC?
 - HB will continue until full roll out of UC/ Pension Credit arrangements
- Regional variations of impact

Universal credit questions



- How will supported housing be identified?
 - Direct payments
- What will happen if claimants are sanctioned?
 - Can be up to 52 weeks
 - Organisation's existing approaches?
- Full roll out of UC begins 2019 (new claimants) - 2022 (existing claimants)
 - Some sheltered tenants will be covered by universal credit
- Different arrangements for short term services e.g. refuges, still to be announced

Local 'top up' fund



What we know:

- Devolved to local authorities in England
- Devolved to administrations in Scotland, Wales and Northern Ireland
- Ring fenced to manage the transition to new funding regime carefully
- Based on current projections of future needs



What is not known.....

No clear steer to date



- 12 question across the five issues
- There will be 4 Task and Finish Groups
 - A. **Fair access to funding** (issue I above);
 - B. **Local roles & responsibilities including ensuring value for money, quality and appropriate oversight** (combining issues II and III above): exploring how the new model should work in practice and how to assure quality;
 - C. **Ensuring new supply of supported housing** (issue IV above): looking at how to provide assurance and certainty for developers as well as maintaining local flexibility for commissioners; and
 - D. **Short term accommodation** (issue V above): developing options for a workable and sustainable funding model or models for short term accommodation



- Q1. *The local top-up will be devolved to local authorities. Who should hold the funding; and, in two tier areas, **should the upper tier authority hold the funding?***
- Q2. *How should the funding model be designed to maximise the opportunities for local agencies to collaborate, encourage planning and commissioning across service boundaries, and ensure that different **local commissioning bodies can have fair access to funding?***
- Q3. *How can we ensure that **local allocation** of funding by local authorities matches local need for supported housing across all client groups?*
- Q4. *Do you think **other funding protections for vulnerable groups**, beyond the ring-fence, are needed to provide fair access to funding for all client groups, including those without existing statutory duties (including for example the case for any new statutory duties or*



- Q3. *How can we ensure that **local allocation** of funding by local authorities matches local need for supported housing across all client groups?*
- Q4. *Do you think **other funding protections for vulnerable groups**, beyond the ring-fence, are needed to provide fair access to funding for all client groups, including those without existing statutory duties (including for example the case for any new statutory duties or*



- Q5. *What expectations should there be for **local roles and responsibilities**? What planning, commissioning and partnership and monitoring arrangements might be necessary, both nationally and locally?*
- Q6. *For local authority respondents, what **administrative impact and specific tasks** might this new role involve for your local authority?*



- *Q7. We welcome your views on what features the new model should include to provide **greater oversight and assurance** to tax payers that supported housing services are providing value for money, are of good quality and are delivering outcomes for individual tenants?*



- Q8. *We are interested in your views on how to strike a balance between local flexibility and provider/developer certainty and simplicity. What features should the funding model have to provide **greater certainty to providers** and in particular, developers of new supply?*
- Q9. *Should there be a **national statement of expectations or national commissioning framework** within which local areas tailor their funding? How should this work with existing commissioning arrangements, for example across health and social care, and how would we ensure it was followed?*



- Q10. *The Government wants a **smooth transition** to the new funding arrangement on 1 April 2019. What transitional arrangements might be helpful in supporting the transition to the new regime?*
- Q11. *Do you have **any other views** about how the local top-up model can be designed to ensure it works for tenants, commissioners, providers and developers?*



- *Q12. We welcome your views on how **emergency and short term accommodation** should be defined and how funding should be provided outside Universal Credit. How should funding be provided for tenants in these situations?*



- Includes hostels and refuges
- Monthly Universal Credit not appropriate for short-term services
- Accept that more than one mechanism maybe to required



- 631 providers contacted between February and March 2016
 - 90 responded + 83 Sitra Members 173 toa
- Local Authorities 407 contacted
 - 177 Housing Benefit responded
 - 83 Commissioners responded



- The evidence review estimates at Dece 2015
 - England £3.49 billion
 - Wales £0.22 billion
 - Scotland £0.41 billion

And even more questions



- Definitions are important
 - Monitoring and Need
 - Bricks and mortar versus support/care services
 - Distribution
 - Base line figures versus people
- What happens if the fund doesn't cover additional costs post April 2019?
- How long will the ring fence last

What should you do now?



- Ensure you are clear about your rent and service charges and support costs
- Have you apportioned your cost correctly?
 - Are you an outlier?
- How much of your costs will **NOT** be covered by LHA?
 - If you didn't know use Government Website:
 - <https://lha-direct.voa.gov.uk/Search.aspx?LocalAuthorityId=28&LHACategory=1&Month=10&Year=2016>
- What local strategic partnerships/groups exist to ensure housing provider in-put into agreeing administration of the top
 - If not should housing providers be proactive
- What are the implications for your tenants?

And....



- What are the implications for your rent accounting systems
 - Various sources
 - Tenant
 - DWP (where direct payments not made) - monthly payments only
 - HB (for those over pension age even in areas where UC rolled out)
 - Local Authority
- Are their implications for your tenancy agreements?
- Are your Boards fully aware and engaged in the process
- Do you staff need to understand Universal Credit and how to advise tenants?



Jo@linney.org.uk