



Department for  
Communities and  
Local Government



Department  
for Work &  
Pensions

# Funding for Supported Housing

Consultation



© Crown copyright, 2016

*Copyright in the typographical arrangement rests with the Crown.*

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, see: <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)

This document/publication is also available on our website at [www.gov.uk/dclg](http://www.gov.uk/dclg)

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Department for Communities and Local Government  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF  
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/CommunitiesUK>

November 2016

ISBN: 978-1-4098-4942-1

# Contents

<b>Scope of the consultation</b>	<b>4</b>
<b>Introduction</b>	<b>6</b>
<b>1. Supporting people to live independently</b>	<b>9</b>
<b>2. The case for change</b>	<b>14</b>
<b>3. A new framework for future supported housing costs</b>	<b>17</b>
<b>4. Consultation: key issues and questions</b>	<b>19</b>
<b>About this consultation</b>	<b>24</b>

# Scope of the consultation

Topic of this consultation:	This consultation seeks views on the design of the Government's new housing costs funding model for supported housing, as well as views on how funding for emergency and short term placements should work. It covers the following areas: <ol style="list-style-type: none"> <li>1. Devolved top-up funding to local authorities in England; and</li> <li>2. Funding for emergency and short term supported housing placements across Great Britain.</li> </ol>
Scope of this consultation:	Housing costs funding for supported housing.
Geographical scope:	This consultation seeks views on arrangements for funding the additional housing costs associated with providing supported housing in England, and on funding for emergency and short term placements across Great Britain.
Impact Assessment:	Not needed at this stage.

## Basic Information

To:	This consultation is aimed at supported housing commissioners and providers, developers and investors, residents and those who represent their views.
Body/bodies responsible for the consultation:	The Secretary of State for Communities and Local Government and Secretary of State for Work and Pensions.
Duration:	This consultation will last for 12 weeks from 21 November (closing on Monday 13 February 2017).
Enquiries:	For any enquiries about the consultation please contact: <a href="mailto:supportedhousing@communities.gsi.gov.uk">supportedhousing@communities.gsi.gov.uk</a>
How to respond:	You may respond by emailing your response to the questions in this consultation to: <a href="mailto:supportedhousing@communities.gsi.gov.uk">supportedhousing@communities.gsi.gov.uk</a>  Please title the email:  "Supported housing consultation response".  If you are responding in writing, please make it clear which questions you are responding to.

Written responses should be sent to:

Department for Communities and Local Government  
Supported Housing Programme  
Fry Building  
3<sup>rd</sup> Floor  
2 Marsham Street  
London  
SW1P 4DF

When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name,
- your position (if applicable),
- the name of organisation (if applicable),
- an address (including post-code),
- an email address,
- a contact telephone number, and
- if you are responding about arrangements for short term accommodation whether you are responding with regards to England, Scotland or Wales.

# Introduction

1. One of the Government's key commitments is to protect the most vulnerable. Supported housing helps to underpin this obligation and supports hundreds of thousands of the most vulnerable people across the country. From helping those with learning disabilities to providing older people with support needs with somewhere to live that can meet their changing needs as they age, crisis accommodation for people fleeing domestic abuse or emergency places for rough sleepers, help for those recovering from drug or alcohol dependency, or support to vulnerable young people such as care leavers to get the help they need to move on and get a job and to live independently.
2. The Government is committed to protecting and boosting the supply of supported housing and ensuring it provides value for money and works for those who use it as well as those who pay for it. Over the past months, we have talked extensively to supported housing commissioners, providers, and developers as well as representatives of supported housing residents about what a workable and sustainable funding model for the sector should look like.
3. Two things are absolutely clear. Firstly, doing nothing is not an option. Universal Credit is being rolled out to working age claimants across Great Britain and is an important reform to improve work incentives and enhance simplicity for claimants. In this context, we need to consider how best to fund the supported housing sector to cater for its specific needs and circumstances. Secondly, it is absolutely critical that we get the detail right to ensure we deliver a funding model that is flexible enough to reflect the diversity of the sector and meets the needs of individual tenants, providers and commissioners. In particular, we recognise the vital importance of ensuring that providers are able to develop new, much needed, supported housing and we want the long-term funding model to support this. As part of this reform we also want to increase the role that quality, individual outcomes and value for money play in the funding model.
4. That is why we have confirmed to Parliament in a Written Ministerial Statement that we will defer the application of the Local Housing Allowance (LHA) rates to supported housing until 2019/20.<sup>1</sup> From 1 April 2019, we will bring in a new funding model which will ensure that supported housing continues to be funded at the same level it would have otherwise been in 2019/20, taking account of our plans on social rents.

---

<sup>1</sup> Written Ministerial Statement (15 September 2016): <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-15/HCWS154/>

5. The new model will mean that core rent and service charges will be funded through Universal Credit (or Housing Benefit for pensioners and where Universal Credit has yet to be fully rolled out) up to the level of the applicable LHA rate. Local authorities are best placed to make decisions about how to support vulnerable people in their areas and to commission the supported housing services that are needed locally. The new model will devolve funding to local authorities in England to provide a 'top-up' where necessary to providers, reflecting the often higher costs of offering supported housing. We recognise a different approach may be needed for short term accommodation, including hostels and refuges, but this type of accommodation will benefit from the same protection as supported housing in general.
6. In England, this will give local authorities an enhanced role in commissioning supported housing in their area. This will also allow local authorities to take a more coherent approach to commissioning for needs across housing, health and social care. Better local knowledge will help drive transparency, quality and value for money from providers in their area.
7. We want to continue the conversation we have begun with the supported housing sector and work with them to develop the detail for the new model. This document begins the consultation process alongside a programme of task and finish groups working with the sector on key design components of the model and designing a new approach for short term accommodation. We will also work with local authorities and other partners to determine how funding should be distributed among individual local authorities.
8. While the framework for the new funding model has been set, this consultation seeks views on key system design elements to ensure the model will work for tenants, commissioners, providers and developers.
9. Across the United Kingdom, core rent and service charges will continue to be funded through Universal Credit (or Housing Benefit for pensioners or where Universal Credit has yet to be fully rolled out) up to the level of the applicable LHA rate. The Scottish Government and Welsh Government have devolved responsibility for housing policy and already determine their own priorities in relation to supported housing. Alongside the transition to a new funding model in England, the UK Government will therefore also ensure that the devolved administrations receive a level of funding in 2019/20 equivalent to that which would otherwise have been available through the welfare system in order to meet the additional costs of supported housing.
10. This consultation will run for 12 weeks until 13 February 2017. There will then be a Green Paper on the detailed arrangements for the local top-up model and approach to short term accommodation in the spring. A final package will be announced in autumn 2017 to allow time for transitional arrangements and any necessary legislation to be made ahead of the new model commencing on 1 April 2019. We propose to put shadow arrangements on the detail and allocation of funding in place from April 2018 to allow full transition to a new model.
11. While designing the mechanics of a new funding model is important to provide certainty for service users, commissioners, providers and developers, the

Government views this as the start of a longer term process in England. During this consultation process we want to work with the sector to consider wider strategic goals such as responding to growing future demand for support to maintain people's independence as well as looking for opportunities for service transformation, for example, to strengthen links across public service commissioning, including health, housing, social care and criminal justice. We are also keen to explore with the private, social and public sector the potential for alternative finance and delivery models for increasing supported housing supply through the use of social investments. We will set out any conclusions on these broader considerations in the Green Paper next spring.

# 1. Supporting people to live independently

## Who needs support?

12. Supported housing plays a crucial role in supporting hundreds of thousands of the most vulnerable people. The Supported Accommodation Evidence Review, published alongside this consultation, suggests up to 716,000 people were using supported housing across Great Britain at any given point in time at the end of 2015.<sup>2</sup>
13. Providing a safe, stable and supportive place to live can be the key to unlocking better outcomes for vulnerable people, from tackling poverty and disadvantage to managing crises, rehabilitation or maintaining people's independence. For many, it is a stepping stone to independent living in the longer term. For some, it is vital life-long support that helps them to live independently in the community.
14. The types of people in supported housing include:
- Older people with support needs;
  - People at risk of or recovering from homelessness;
  - People with learning disabilities;
  - People with mental health problems;
  - People with physical or sensory disabilities;
  - People with drug or alcohol problems;
  - People experiencing or at risk of domestic abuse;
  - Vulnerable young people (such as care leavers or teenage parents);
  - Ex-offenders;
  - Vulnerable armed forces veterans; and
  - Others (such as refugees with support needs).

## What is supported housing?

15. Supported housing is any housing scheme where housing is provided alongside care, support or supervision to help people live as independently as possible in the community. It covers a range of different housing types, including hostels, refuges, supported living complexes, extra care schemes and sheltered housing. Supported housing can provide long term support for years for some vulnerable groups such as

---

<sup>2</sup> Supported Accommodation Review: the scale, scope and cost of the supported housing sector (2016), see: <https://www.gov.uk/government/publications/supported-accommodation-review>

older people and disabled people or very short term immediate emergency help for when people are in times of crisis, such as use of hostels and refuges.

16. Accommodation is predominantly provided by social landlords, including housing associations and local authorities, as well as charitable and voluntary organisations. Housing associations provide over 70 percent of supported housing units in Great Britain. Some private sector “for profit” organisations also provide supported housing, both as landlords and/or support providers.
17. The Supported Accommodation Evidence Review provides a national level snapshot estimate of the size and composition of the sector at the end of 2015. It suggests there were approximately 651,500 supported housing units in Great Britain. The majority in England (85%), with nine percent in Scotland and six percent in Wales.
18. We use a broad umbrella term ‘supported housing’ to cover both supported housing in general and sheltered housing for older people. This consultation considers both types of provision and both working and pension age residents. Also covered are the two complementary definitions used in the benefits system, Supported Exempt Accommodation<sup>3</sup> and Specified Accommodation.<sup>4</sup>

## Why supported housing is important

19. Supported housing provides vital support to some of our country’s most vulnerable people. It helps many people to lead independent lives or turn their lives around and is a vital service for a country that works for all. It is also an investment which brings savings to other parts of the public sector, such as health and social care and underpins a range of policy objectives across Government including:
  - **Supporting vulnerable people:** such as frail, older people and disabled people, people with mental health problems, and vulnerable ex-service veterans;
  - **Tackling homelessness:** preventing homelessness in the first place and helping people recover and move on from homelessness;

---

<sup>3</sup> Supported Exempt Accommodation is defined as being either: a resettlement place; or accommodation which is provided by a county council, housing association, registered charity or voluntary organisation where that body, or person acting on their behalf, provides the claimant with care, support or supervision.

<sup>4</sup> Specified Accommodation includes supported exempt accommodation, and adds three more categories: (i) Managed properties, which includes supported housing which would meet the definition of supported exempt accommodation but for the care support or supervision being provided by someone other than the landlord; (ii) Refuges provided for someone who has left their home as a result of domestic violence; and (iii) Hostels, including hostels provided by local authorities where care, support or supervision is provided. People living in specified accommodation are eligible to continue to receive Housing Benefit in respect of their housing costs, even where they claim Universal Credit, and the housing support paid through Housing Benefit does not count towards the Benefit Cap.

- **Providing refuge:** through crisis and follow-on accommodation and support services for those fleeing domestic abuse;
- **Tackling poverty and disadvantage:** such as helping people with learning disabilities or vulnerable young people, including care leavers', transition to independent living;
- **Recovery:** such as support and treatment for those with drug and or alcohol problems or helping ex-offenders to integrate back into the community; and
- **Improving public health and supporting the health and care system:** by helping older people or people with disabilities to lead healthy and independent lives keeping them out of acute health settings and residential care or smoothing their discharge from hospital.

20. DCLG analysis, based on the Frontier Economics report for the Homes and Communities Agency on Specialist Housing in 2010, estimates that the net fiscal benefit of providing supported housing is £3.53 billion per year.<sup>5</sup>

## The Government's commitment to supported housing

21. The Government has a strong track record in protecting individuals living in the supported housing sector. For example, the Housing Benefit paid in respect of most types of supported housing is not taken into account for Benefit Cap purposes. While work has been ongoing to align the funding approach to supported housing and Universal Credit, temporary provision has been made to allow claimants living in supported housing to continue to receive Housing Benefit for their housing costs alongside Universal Credit for their other living costs.
22. The Government also has a strong track record of boosting supply of supported housing. Between 2011 and 2015 the Government delivered over 18,000 new supported homes across England.
23. At the Spending Review we committed £400 million to deliver a further 8,000 supported housing units through the Department for Communities and Local Government's Shared Ownership and Affordable Homes Programme. In addition, the Department of Health's Care and Support Specialised Housing (CASSH) fund was launched in 2012 with over £200 million being invested to build over 6,000 supported homes over the next few years.
24. The Department of Health has also recently launched a £25 million Capital Fund for Housing and Technology for People with Learning Disabilities. A further £40 million was invested in the Homelessness Change/Platform for Life programme to upgrade

---

<sup>5</sup> Frontier Economics (2010) Financial benefits of investment in specialist housing for vulnerable and older people, see: <https://www.frontier-economics.com/documents/2014/06/financial-benefits-of-investment-frontier-report.pdf>

homeless hostels and improve health facilities. We are also fully committed to ensuring that no victim of domestic abuse is turned away from the support they need, as reaffirmed in the strategy to end Violence Against Women and Girls (VAWG) published in March. As part of this we have committed £80 million of extra funding up to 2020 to tackle violence against women and girls, including funding for securing the future of refuges and other accommodation based services. As part of this, a £20 million fund was launched on 3 November for local authorities to bid to increase refuge spaces and other accommodation for women fleeing domestic violence.<sup>6</sup>

## Current delivery and costs

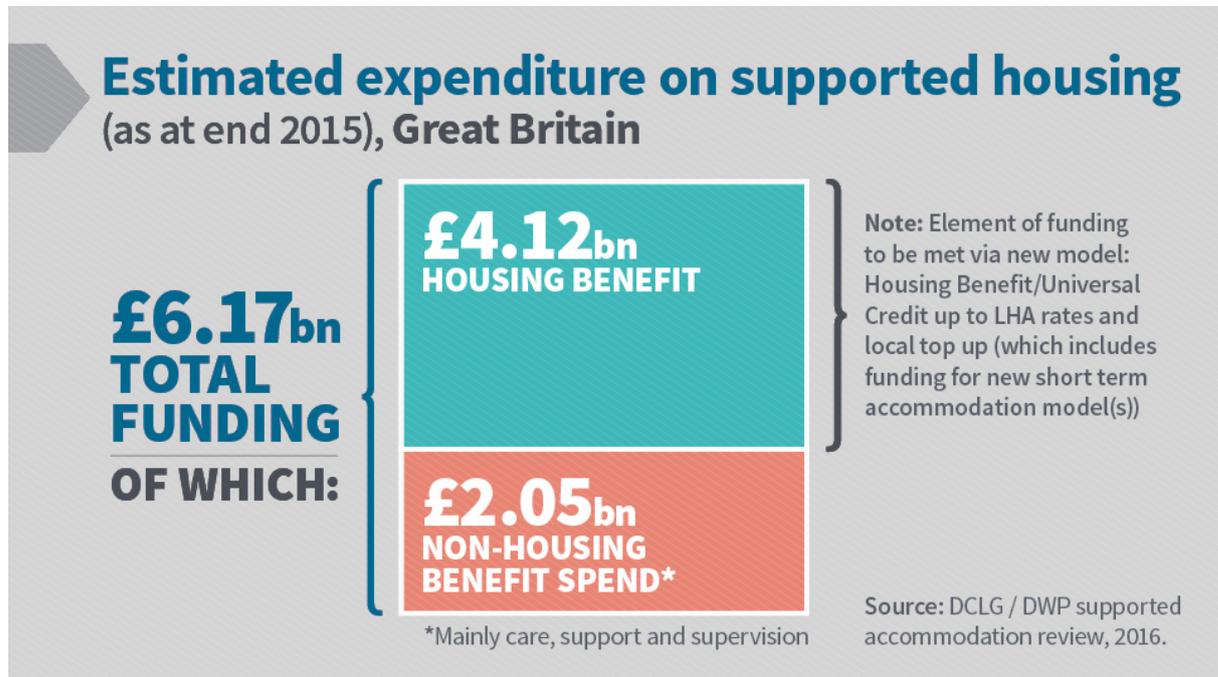
25. Supported housing is enormously diverse, with provider type, scheme characteristics and delivery models and commissioning structures varying across Great Britain.
26. The Government recognises that supported housing costs can often be higher than mainstream housing for a variety of reasons. This includes higher maintenance, repairs and rates of turnover and the specific needs and characteristics of residents, which may require the provision of communal areas and facilities as well as enhanced security. We also recognise that retirement housing, including sheltered housing and extra care, can also often have higher housing costs. We wish to ensure the new funding model works for the whole sector.
27. Funding for supported housing is complex and comes from a variety of sources. Housing Benefit plays a significant role. It meets eligible housing-related costs, including core rent and eligible service charges (which can include for example, the cost of repairs, renewing communal furnishing and fittings and some intensive housing management costs). The Supported Accommodation Evidence Review estimates that the annualised Housing Benefit expenditure for supported housing across Great Britain as at December 2015 is £4.12 billion. This represents around 17 percent of the total expenditure on Housing Benefit. The majority of supported housing expenditure from Housing Benefit is for older people, at an estimated £2.4 billion, with an estimated £1.7 billion spent on working-age provision.
28. The Supported Accommodation Evidence Review conservatively estimates at the end of 2015 that around £2.05 billion is spent in addition to Housing Benefit, on mainly support and care services for tenants in supported housing (see Figure 1 below). The principal sources of separate care and support funding are local authority adult social care services, housing and homelessness funding. Further funding comes from sources such as children's services, substance misuse

---

<sup>6</sup> DCLG, 2016-2018 Domestic Abuse Fund: prospectus, see: <https://www.gov.uk/government/publications/domestic-abuse-fund-prospectus>

services, charitable grants and Big Lottery funding, as well as from health sources and a small amount from fundraising and donations.

**Figure 1**



29. Work towards the Supported Accommodation Evidence Review found many examples of excellent practice in terms of local areas strategically assessing and identifying need for supported housing, strong commissioning and regular review of provision for individuals to support those who are able to move on into independent living and to make best use of provision.
30. The review also found some circumstances of patchy commissioning practice, alongside some frustration among commissioners about providers only being required to comply with welfare rules. This has resulted in some providers setting up provision outside local commissioning structures or scrutiny with poor assurance of outcomes, quality or value for money. Both issues further support the case for change.

## 2. The case for change

### Rationale and objectives

31. There are two clear reasons for seeking to reform the funding of supported housing. The roll out of Universal Credit for working age people, as described above, is one but there is also a need to more fundamentally consider how supported housing across the whole sector should be planned for, commissioned and delivered and how to manage growing demand within a tighter public spending climate:

- **Universal Credit** – a new funding mechanism is required to work in conjunction with Universal Credit. Universal Credit will meet core housing costs, up to the level of the relevant LHA rate, and therefore the question arises about the most effective way to deal with additional costs in excess of this.
- **A local focus on outcomes, oversight and cost control** – we want the quality of services and a focus on outcomes for the people who use them to be at the forefront of supported housing provision. The current system for funding the housing costs of supported housing is not well designed to ensure effective oversight of quality or control of spending to ensure value for money. We must consider new approaches to transparency and oversight in order to achieve consistent quality and to demonstrate to the taxpayer the value of the considerable public investment in these services.

32. In addition, supported housing plays a critical role in meeting our objectives for supporting vulnerable people across Government. Our overall objectives for reform are:

- To ensure that vulnerable people receive the support they need;
- To establish a funding system that protects genuine supported housing and provides certainty to maintain and encourage the development of new supply;
- To deliver provision that focusses on service users – getting access at the right time as well as, where possible, help to move on at the right time – and focusses on their individual outcomes as well as the quality of provision;
- To better align responsibility for commissioning services with greater control of the budgets to ensure improvements in quality, value for money, appropriate oversight, transparency and accountability; and
- To seek opportunities for greater collaboration and innovation through local commissioning across public sector commissioning, including strengthening the links between health, housing and social care.

### Universal Credit and the impact on Supported Housing

33. Universal Credit, which is currently being rolled out nationwide, is a benefit for working age people who are both in and out of work. It replaces six existing benefits, and includes support for rental costs where applicable. Universal Credit is paid monthly directly to claimants. Universal Credit is currently available in every Jobcentre in Great Britain for single jobseekers. Full rollout of Universal Credit for all

claimant types is currently underway and will be complete in 2022. Housing costs for those of pension age will also continue to be met through the welfare system. For those in supported housing, welfare payments up to the level of the LHA rate will be supplemented where necessary by the local top-up fund from April 2019.

34. Universal Credit offers significant benefits, in terms of simplicity, ease of access and improved work incentives for all claimants, including those individuals living in supported housing.
35. Local knowledge is central to the current system for funding supported housing through Housing Benefit. In addition, much supported housing provision is developed in consultation with and is commissioned by local authorities to meet the needs of local people and this requires close co-operation at the local level. Determining individual entitlement where the claimant lives in supported housing requires very detailed consideration of which costs are eligible and whether the costs cited are reasonable. Such a system usually requires local knowledge, expertise and involvement.
36. For providers of certain types of short term accommodation, Universal Credit, which is typically paid monthly, presents challenges. Shorter term accommodation may include provision such as:
  - hostels for homeless people or domestic violence refuges;
  - short term emergency accommodation provided by a local authority whilst their duty to house a homeless person is assessed; and
  - other supported housing settings where stays may be short term.
37. The Government also recognises that different funding models for the short term accommodation types set out above may also be applicable to Temporary Accommodation provided by local authorities in discharging their homelessness duties.
38. We are seeking views on how best to provide support for short term stays alongside the monthly assessment and payment in Universal Credit. Challenges include ensuring we remain responsive to housing needs at the start of someone's Universal Credit claim while entitlement is determined and first payments are made.

## A local focus on outcomes

39. As we have set out above, local knowledge is of crucial importance in ensuring supported housing is commissioned in the right way. In addition to preparing for a new local role as part of the implementation of Universal Credit, many local authorities have also told us that they would welcome an enhanced local commissioning role. Some councils have raised concerns about the existing Housing Benefit regime, in particular regarding insufficient local control over the establishment and location of supported housing services and quality of some services being provided outside of their commissioning arrangements. Supported housing providers and developers have been clear that they are seeking as much

clarity as possible about what funding is available as well as a strong desire for consistency around the availability of funding and its administration.

40. Concerns have also been raised that the current Housing Benefit regulations restrict who can provide supported housing, and receive the enhanced funding through the supported exempt provisions, to non-metropolitan county councils, housing associations, registered charities and voluntary organisations. This leaves no room for other providers and can restrict the claimants' choice of who delivers support services, since to qualify for the enhanced funding through Housing Benefit the care, support or supervision must be provided by, or on behalf of, the landlord.
41. Longer term, we also need to build a system which is better able to manage future demand as the population is ageing and medical advances also mean that more people with severe physical and learning disabilities are enjoying longer lives. This makes it even more important that spending provides value for money and is targeted effectively and providers are able to develop new supported housing supply.

### 3. A new framework for future supported housing costs

42. On 15 September, the Government announced a new funding model for supported housing. Government has deferred the application of the Local Housing Allowance (LHA) policy for supported housing until 2019/20. At this point we will bring in a new funding model which will ensure that supported housing continues to be funded at the same level it would have otherwise been in 2019/20, taking into account the effect of Government policy on social sector rents.
43. We also announced that, as planned, the Government would apply the social rent reduction to supported housing, with rents in these properties decreasing by 1% a year for 3 years, up to and including 2019/20. The existing exemption for specialised supported housing will remain in place and will be extended over the remaining 3 years of the policy for fully mutuals/co-operatives, almshouses and Community Land Trusts and refuges.
44. It is our intention that from 2019/20 core rent and service charges will be funded through Housing Benefit or Universal Credit up to the level of the applicable LHA rate. This will apply to all those living in supported accommodation from this date. The Shared Accommodation Rate will not apply to people living in the supported housing sector, in recognition of the particular challenges this would have placed upon them.
45. In England, we will devolve funding to local authorities to provide additional 'top-up' funding to providers where necessary, reflecting the higher average costs of offering supported accommodation, compared to general needs. This will give local authorities an enhanced role in commissioning supported housing in their area. This will also allow local authorities to ensure a more coherent approach to commissioning for needs across housing, health and social care, using local knowledge to drive transparency, quality and value for money from providers in their area.
46. Separate existing funding streams for care, support and supervision (such as legacy Supporting People funding) would remain part of the funding mix for supported housing but will not be changed by these reforms. The intention would be for the top-up fund to be used in conjunction with the wide range of funding dedicated to local commissioning.
47. We will ring-fence the top-up fund to ensure it continues to support vulnerable people. The amount of top-up funding will be set on the basis of current projections of future need. This will also help to provide certainty for providers that reductions in funding from Housing Benefit or Universal Credit due to LHA rates, can be met elsewhere as well as to give greater assurance to developers of new supported housing supply.

48. While we are confident that this model will meet the needs of the majority of the sector, we recognise some particular challenges may remain for very short term accommodation, including hostels and refuges. We will work with the sector to develop further options to ensure that providers of shorter term accommodation continue to receive appropriate funding for their important work. Whilst the mechanism may be different, funding for this type of accommodation will benefit from the same protection as supported housing in general.

## 4. Consultation: key issues and questions

49. This is a consultation on how the new local funding model should work in England.

50. There are five key issues that we would like to explore through this consultation to develop the detail that will underpin the new approach to funding for supported housing set out on 15 September. These are:

- 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.

Issues I – IV relate to the detailed arrangements for the local top up model in England. Issue V relates to short term accommodation provision across Great Britain, as it is currently funded through the welfare system.

### **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.**

51. Local authorities will administer the local top-up, and in two tier areas, there is a case for the upper-tier local authority to hold the funding as they tend to be responsible for commissioning the bulk of supported housing services.

52. Different types of supported housing provision and services are commissioned by different bodies locally, such as Clinical Commissioning Groups and district housing authorities. It will be important to ensure that funding streams are better aligned so they can deliver their respective commissioning objectives.

*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**?*

53. We will ring-fence the top-up fund to ensure it continues to support vulnerable people. We propose that the ring-fence should be set to cover expenditure on a general definition of supported housing provision, rather than there being separate ring-fenced pots for different client groups.
54. Many people who rely upon supported housing have multiple and complex needs and supported housing services often address a combination of these needs (e.g. homelessness, mental health issues and substance misuse problems) and therefore, breaking down funding between different client groups becomes complicated and could limit flexibility for local areas to manage changing circumstances. Local authorities will, of course, need to comply with the public sector equality duty under section 149 of the Equality Act 2010 when deciding how to allocate funding.
55. However, some stakeholders have raised concerns that certain vulnerable groups could be overlooked, or particular groups could be prioritised for funding at the expense of others. We are keen to understand what, if any, statutory provision could be made to provide reassurance, including what potential role additional statutory duties for local authorities in England could play, particularly in terms of protecting provision for specific vulnerable groups within the context of the overall ring-fence.

*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 any other sort of statutory provision)?*

## **II. Clarifying expectations for local roles and responsibilities, including what planning, commissioning and partnership arrangements might be necessary locally.**

56. The new model will give local authorities in England an enhanced role in commissioning supported housing in their areas. In addition, local partnerships could combine this funding with existing care, support and supervision funding to commission services. This could be helpful in encouraging local authorities to consider all supported housing funding in the round. It should incentivise efficiencies and join up existing care and support funding, helping with health and social care integration across the life course.
57. We will consider what level of new burdens funding would be appropriate to enable local authorities to fulfill their new role.

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?*

### 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.**

58. Supported housing is of vital importance to vulnerable people and we want to continue to work with providers to ensure that services are as good as they can be. We want to build on the work of excellent providers to drive all quality and value for money up to the level of the best. These reforms, giving local areas greater control and strategic oversight, represent the first step towards that goal, whilst giving the sector the necessary certainty over the total amount of funding available nationally. We also want quality and a focus on individual outcomes to play a greater role in how we fund the sector.

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?*

### 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.**

59. Providers have told us that within a localised funding model they would prefer a degree of standardisation with regards to the administration of a local top-up as well as the underpinning framework for reaching a funding decision – for example, via a national statement of expectations or a national commissioning framework. This is particularly important for larger providers who operate across many different local areas and would welcome a degree of standardisation and consistency. However, it is important to balance this against the need to preserve flexibility for local areas to design the delivery of the top-up in their area in a way which best meets the needs and circumstances of supporting vulnerable people in their areas.

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?

**V. Developing options for workable funding model(s) for short term accommodation, including hostels and refuges.**

60. While we are confident that the local top up model will meet the needs of the majority of the sector, we recognise some particular challenges, such as the monthly payment of Universal Credit, may remain for very short term accommodation, including hostels and refuges. We will work with the sector to develop further options to ensure that providers of shorter term accommodation continue to receive appropriate funding for their important work. Whilst the mechanism or mechanisms (if more than one model is necessary) may be different, funding for this type of accommodation will benefit from the same protection as supported housing in general.

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?

## Task and finish groups

61. There will be four task and finish groups working across these key issues outlined through this consultation, which will include membership from key stakeholders and partners from across the sector and from across Government departments and the devolved administrations where appropriate. This work will run in tandem with this consultation exercise and report back to Government. The task and finish groups will cover the following:

- 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.

## Timetable

62. This document begins the consultation process alongside a programme of task and finish groups working with the sector on key design components of the model and designing a new approach for short term accommodation.
63. While the framework for the new funding model has been set, this consultation seeks views on key system design elements to ensure the model(s) will work for tenants, commissioners, providers and developers. The specific issues we wish to resolve through this consultation include fair access to funding; clarifying expectations for local roles and responsibilities; confirming what further arrangements there should be to provide oversight and assurance; exploring the appropriate balance between local flexibility and provider certainty; and gathering views on developing a workable funding model(s) for short term accommodation, including hostels and refuges.
64. This consultation will run for 12 weeks until 13 February 2017. There will then be a Green Paper on the detailed arrangements for the local top-up model and approach to short term accommodation in the spring. A final package will be announced in autumn 2017 to allow time for transitional arrangements to be made ahead of the new model commencing on 1 April 2019.

<b>Timetable</b>	<b>Delivery phase</b>
<b>Nov 2016 To Feb 2017</b>	Consultation: consultation document
<b>Nov/Dec/Jan/Feb</b>	Stakeholder engagement and task and finish groups
<b>Spring 2017</b>	Green Paper on detailed model(s) and funding distribution consideration
<b>Autumn 2017</b>	Announce detailed funding model(s) and local authority funding allocations
<b>April 2018</b>	Shadow year arrangements in place on detail and allocation of funding to allow full transition to new model
<b>April 2019</b>	Commencement of new funding model(s)

# About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Communities and Local Government will process your personal data in accordance with DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.