



Supported Housing Consultation Response from Foundation

February 2017

1. ABOUT THIS RESPONSE

This response is submitted on behalf of Foundation a registered charity and an RSL providing housing and support to over 3,500 vulnerable individuals and families across the North of England. Foundation works with people who for various reasons such as homelessness, domestic abuse, release from prison, complex health conditions, leaving care or family breakdown need help to establish a new independent life in the community.

Foundation provides bespoke support for each customer which builds on their strengths and the assets they bring to our organisation; this can include help to manage a tenancy, look for work, volunteer, provide peer support to others, re-entry into education, building positive family relationships and access to other essential services such as GP's and banking.

Foundation manages hostel and refuge accommodation as well as working with other RSL's and increasingly private landlords to lease suitable properties for our customers which meet decent homes standards.

We welcome the opportunity to respond to the Government's latest proposals and are pleased to see clear evidence that the Government has listened to the views expressed by housing providers and others in response to the consultation exercise undertaken in 2017.

This response has been prepared drawing on the views and experiences of our customers, staff and Board of Trustees and relates to Section 3 of the consultation document; *Housing costs for short-term supported accommodation*

2. CONTACT DETAILS

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3. KEY CONCERNS

In addition to the responses below we have two major concerns about the future funding model proposed by the Government:

3.1. Tenants' rights

We have serious concerns about the rights and protection customers will have under the grant based model, which is not based on a standard tenant/ landlord relationship. The lack of clarity on this is a major omission from the consultation document and makes it difficult to support the proposals when they may lead to higher rates of eviction , less security for people in housing crisis and given the current differences in approach by local authorities, perpetuate a post code lottery of provision and rights. We would urge the Government to clarify the tenancy rights of those living in grant funded placements as soon as possible.

3.2 Value for the tax payer

We fully support the Government's aim to achieve the best possible value for tax payers through new funding arrangements. However the current consultation makes no links with all the other public services which are essential to the achievement of best value in supported housing. This is a major omission. In order to create the best outcomes for vulnerable people, best value for the public and achieve benefits for the wider community, practical links must be made between the preventative and support activities undertaken through supported housing and the benefits this provides for the health, criminal justice and social care systems. All these agencies are trying to help the same complex, vulnerable people and families. A new funding regime which drives a more integrated approach would be in the best interest of all our service users/ patients as well as delivering real benefits for the tax payer. The current consultation misses this opportunity through addressing cost savings and simplifications in the benefit and social housing sectors in isolation from the other critical services involved in improving life chances for our most vulnerable citizens.

4. CONSULTATION QUESTIONS

I. Definition

- Question 1

- i. It is difficult to provide an overarching definition for emergency and short term accommodation because these services meet a whole spectrum of need from a one night crash pad/ off the street bed, to transitional accommodation helping to stabilise a customer and prepare them for permanent accommodation. For domestic abuse survivors timeframes can be further complicated by court timetables. We therefore do **not agree** with the definition proposed within the consultation document because it unhelpfully conflates very different services and includes an arbitrary timescale of two years for the length of stay in supported

accommodation. While we do try our best to move our customers into settled homes within this period, there are many factors which can frustrate this aim, including disability or health issues, lack of affordable suitable accommodation and the need to maintain education or training placements. There is a wealth of research evidence to prove that taking a personalised approach, rather than imposing arbitrary deadlines, is key to successful resettlement and preventing expensive “revolving door” problems for the future.

- ii. There are also specialist types of supported accommodation, such as respite and intermediate care which do not appear to fit within this definition or indeed the funding proposals suggested, but are a vital part of the supported housing service network.
- iii. **We believe separating crisis and immediate response placements from the funding of short term supported housing would better serve the aims of the Government and the needs of vulnerable people.** (see Question 2 below for further detail)

II. New Funding Model

Question 2

We welcome the Government’s recognition of the difficulties faced by those in housing crisis trying to utilise the Universal Credit (UC) monthly payment system and the practical proposals to address this through grant arrangements. The proposals do have advantages in securing payment for accommodation at the point of crisis without having to meet the documentation and other criteria for UC claims, helping housing providers manage void costs and assisting people move into work without having to pay high rents. Unfortunately we believe the disadvantages outweigh these positive elements for the following reasons:

- i. We believe the higher cost of supported housing provision is best met by increasing the rent paid via the benefit system, rather than placing grant monies into a fund with additional administrative costs and a higher degree of uncertainty linked to local authority policy differences.
- ii. Providers require as much certainty and consistency as possible to manage high risk services and the grant allocation risks all the same market pressures which have seen some areas lose valuable care and domiciliary services due to low LA payment rates and the increasing costs of the National minimum wage.
- iii. One of the advantages of clearly separating higher level housing support costs from standard rents should be that once a person no longer needs that support they can still

remain in their home and community. The strengths of the **Housing First** model are well established and we would recommend that the new funding system should support this approach since it leads to better outcomes for customers and reduced costs for the tax payer and landlords in the longer term. The proposals as they stand could well make this more difficult.

- iv. Tying the rent element of supported housing to commissioned support services runs the risk of further excluding vulnerable people from the vital help they rely on. Commissioned services have been subject to higher thresholds and shorted support periods meaning that many vulnerable people can only receive support with managing their tenancy through the higher level of housing benefit. This would disappear if all supported rents were met from the grant allocation and linked to re-commissioned services. Removing this support mechanism would lead to increased homelessness and greater pressure on health, police and social care services.
- v. Our customers need to be able to evidence a good rent payment record in order to secure accommodation in the long term and move into employment. The current proposals mean that this could be needlessly delayed by up to two years creating yet another barrier to independence and to the Government's aim of optimising move on.
- vi. Although the ring fence on the grant allocation is welcome there is still a danger that it will be used as a substitute for other funding for local authorities under pressure from competing demands. The results of the removal of the ring fence on Supporting people gives clear evidence of the lower priority given to supported housing customers once local authorities have flexibility in the allocation of resources.
- vii. We are concerned that under the grant arrangements authorities may set very different rates for housing management (HM) linked to local rents. But these costs are primarily staff (salary, travel etc.) rather than property related and have little geographical variation outside London. Lower rates for HM could lead to many services being uneconomic for landlords and support providers.

We believe the best solution, which preserves many of the advantages of the grant proposals and tackles the concerns above would be to keep the Government's proposals for the first 6 months of a claim only. This would enable emergency accommodation to be sourced (and for some also a move to second stage support) for people who are fleeing domestic abuse, homeless, leaving prison and young people facing family

breakdown etc. After 6 months a standard UC claim should be made enabling customers to take responsibility for their rent, build a rent payment record and secure full unambiguous tenants' rights for the rest of their time in supported accommodation. This will also help support providers build the capacity for independence with customers including how to manage a standard tenant landlord relationship which is vital for their positive future in the community.

Providers will have the security of knowing the majority of supported housing rents will be paid through the benefit system with the longer term security that brings for planning and supply. Local Authorities will be able to manage the grant funded element for immediate needs alongside their other emergency housing and refuge/ hostel provision and in line with the National Statement of Expectations the Government is proposing.

III. Strategic Plans and meeting local needs

- **Questions 3 and 4**

- i. We very much welcome the intention to improve co-ordination at local level and partnership working in the commissioning and supply of supported housing.
- ii. **The Supported Housing Strategic Plan** would fit better and have more impact if it was developed within an integrated cross agency commissioning framework. There is a danger that with Local Authorities so concerned about the lack of adequate resource across a range of services that wider cost control pressures and competing demands would be the defining criteria for supported housing provision. The funding pressures on the NHS and criminal justice system are also clearly evident and well reported and are leading to open “cost -shunting” especially in relation to ex-offenders and those leaving prison. Many local authorities have indicated they will be greatly reducing or ending their financial support for resettlement and supported housing services, citing the CRC’s as the responsible agencies.
- iii. The needs assessment process as described in the **National Statement of Expectations** is helpful and appropriate. However without any statutory force and taking into account the resource pressures outlined above there is a question as to whether the Statements will make any difference in practice, particularly for vulnerable groups who have no statutory duties owed to them. We believe the Statement should be given statutory status and local authorities should be resourced to meet these new Government expectations.
- iv. The renewed focus within the consultation on assessing need and taking a strategic approach to supported housing

provision will be resource intensive and require specialist skills. Local Authorities have greatly reduced their capacity for such activity as part of recent cost savings and there is a serious concern that without additional Government support these requirements would be funded from the supported housing grant pot, leaving fewer resources for direct services.

- **Question 5**

- Since the expertise and responsibilities for housing rest with lower tier authorities we believe, on balance it would be a mistake to separate supported housing from the legal obligations of the Homeless Reduction Act and other housing legislation.** The grant allocation is, in our view, best administered by the relevant housing authority where existing statutory responsibilities can be managed together with emergency housing support in the context of the local housing market and the housing needs of the whole population.
- We would caution the linking of the grant fund with the provision of commissioned care and support services since there are many customers who require additional help to manage their tenancy but will never reach the threshold for access to support services. Customers Foundation would have supported just a few years ago now receive no service due to the increasing thresholds applied to manage demand. Making one form of support dependent on the other may undermine the effectiveness of intensive housing management in preventing customers from entering more expensive care and health services. In addition it is not in the interests of vulnerable people to get caught up in the possible differing positions of districts and counties on relative funding priorities for different customer groups.
- It is vital that the grant fund is ring fenced and we welcome the Government's assurance on this. We would welcome a similar assurance on the level of inflationary increase the grant fund will receive in future years to keep pace with the true costs of housing management and flexibility of the fund to meet possible increased need in future years.

IV. Local connection

- **Question 7**

- We welcome the proposal that local authorities should proactively plan for those who have no local connection, however the difficulty of doing this should not be underestimated. Foundation's experience of providing refuge services and support to ex-offenders is that the lack of local connection makes authorities reluctant to allocate

- resources to those who have to leave their local area to escape abuse, or cannot return once their sentence is served.
- ii. We also have concerns about the robustness of data and needs assessment processes across different local areas for groups such as rough sleepers, refugees/ asylum seekers and people leaving the military seeking local resettlement. These groups have been badly served in the past. We recommend that the Government provide detailed support and guidance to local authorities to ensure that the data sets used are consistent across areas and eligibility criteria align, to avoid commissioners relying on provision in neighbouring authorities.

V. Commissioning

• Question 8

- i. Current short term local authority commissioning cycles mitigate against the strategic cross-sector approach the Government seeks to promote. In addition national level contracts for Transforming Rehabilitation, some NHS and prison services have taken no account of the need to plan jointly with local level agencies, but have a major impact on demand for supported housing.
- ii. The short term nature of commissioning is a major disincentive for housing providers, be they social or private sector landlords to invest in supply for supported housing or to develop specialist accommodation such as hostels and refuges. It places unnecessary strain on customers, the benefit system and supported housing organisations when services change hands every two to three years as well as requiring expensive re-tender process. A more strategic approach to commissioning accommodation and support would see more effort being put into agreeing a long term approach which could then drive longer tenders enabling better partnership working on the ground.
- iii. Long term certainty needs to be built into the new system, through a combination of properly costed rents provided by the benefit system to provide certainty for landlords and longer length support contracts which would encourage the development of new and improved schemes. This is of special concern to organisations like Foundation which would be at considerable risk if our landlords should exit the supported housing market due to lack of certainty.
- iv. Commissioning practice is increasingly cost driven, which again makes a strategic approach more difficult and inhibits proper consultation with providers on the basis of short term “competitive” conflicts of interest. This approach is driven by risk averse commissioners rather than reality on the ground

where providers are well used to cooperating with each other.

VI. Implementation

• Question 10

- i. There will be a need to undertake careful monitoring of the transition period and tackle any unforeseen negative impacts on either housing providers or vulnerable tenants.
- ii. In the longer term creative use of existing quality assurance systems alongside decent homes standards for all accommodation funded by the new system should help to develop proportionate oversight for the quality and VFM of housing management services for the tax payer.
- iii. We would urge the Government to ensure that supported housing customers of all kinds are actively involved at all stages of implementation and in monitoring the longer term outcomes of these changes. All supported housing tenants can participate in annual tenant surveys which give some indication of the quality of housing management they have received and their views on how these services should improve.
- iv. We would favour a staggered approach to implementation with pilots for different kinds of service and customer groups over a longer time period than is currently suggested to ensure that vulnerable people do not suffer through the implementation process, services are not further destabilised and system changes can be well planned and piloted before staff and customers have to rely on them.