

FUNDING FOR SUPPORTED HOUSING CONSULTATION

RESPONSE FROM GATESHEAD COUNCIL AND THE GATESHEAD HOUSING COMPANY

Gateshead Council and the Gateshead Housing Company welcome the opportunity to be consulted on the *Funding for Supported Housing Consultation November 2016*. Responses to individual questions are detailed below but a summary of key points and issues that the consultation raises are provided as part of the initial response.

- The existing uncertainty around the future funding of supported housing is already having a visible impact in the borough of Gateshead with planned projects for Learning Disability Schemes being delayed and a re- direction of provision towards complex support needs. There are also further concerns raised from providers regarding the future of the services they provide (See Appendix 1).
- A clear definition of supported housing is required to accompany the implementation of this proposed new model of funding. The guidance refers to a definition that includes Sheltered Housing, but with different levels of support and care provided within Sheltered Schemes it remains uncertain as to which schemes will be funded under this remit.
- Any new model of funding needs to give long term certainty to support the development of new schemes and to give comfort to our vulnerable customers.
- It is not clear how the current Housing Benefit costs quoted as part of the expenditure of supported housing provision have been arrived at. If this figure of expenditure is used to calculate the future allocation of funding for supported housing this won't meet the costs of existing and future demand for Supported Housing. The figure for funding needs to be properly assessed if we are to continue to provide the services you are looking for.
- Using the Local Housing Allowance as a component of funding will have unintended consequences creating a regional discrepancy particularly with Sheltered Schemes in areas with higher levels of LHA where tenants will not require as much "top up fund". The existing LHA calculation was never intended to reflect these consulted changes
- The modest saving that this funding model achieves will be offset through the transfer of costs to Care and Health Services with an increase in demand for crisis services following the reduction of early intervention community based support services.

Overall it has been very difficult to respond to the consultation without a more detailed context of the governments thinking in this policy area. We have concerns as to whether or not this funding model will deliver the outcomes needed by these very vulnerable people.

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

*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?***

A1. Where there is a unitary authority, where the funding sits within that authority could be decided at a local level.

*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?***

A2. In addition please refer to the points raised on the first page

Whilst current commissioning arrangements do aim to reflect value for money, best practise and partnership working, they are currently restricted by budgets which a fixed grant could exasperate further. Supported Housing Services need to reflect quality of service, value for money and innovation that meets the needs of clients who require them.

The funding model should be demand led rather than a fixed grant in order to more effectively meet future demand and ensure fair access to funding. A fixed grant will create inequity as funding may be unable to meet the local need of vulnerable clients and innovation will be stifled to meet that local need if fixed funding is in place.

Account also needs to be taken of the Local Housing Allowance in LA areas when assessing costs

We would question whether sheltered housing should be dealt with separately to supported housing in terms of how the revenue funding is assessed and paid. Should it be part of the same framework given the nature of this client group which tends to be long term support?

We would welcome clearer definitions around supported and sheltered housing to ensure we can provide a consistent fair approach 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?*

A3. In addition please refer to the points raised on the first page

The local allocation of funding can only meet local need through flexible funding. With the projected need for Supported Housing set to increase with increased complexity of need, there are concerns over the flexibility of this funding and its ability to meet local need.

The funding also needs to take into account hidden demand for services and the role of early intervention floating support services that play a significant role in preventing support needs from escalating, leading to further complexities and higher costs on other public services. A fixed grant fund will not enable the flexibility to consider other forms of early intervention support and support provision could more likely reflect expensive crisis intervention. Local areas need to encourage innovation to respond to local concerns which again fixed term funding will not enable us to achieve.

If the allocation of funding is calculated against existing Housing Benefit Payments as a measure of funding required by each area, this will result in significant under funding for Supported Housing Services at a time of increased demand if there are no means to make this a flexible sum. Fixed grant funding based on Housing Benefit expenditure and not on actual demand for services will not meet the future need for supported housing.

Regional differences are significant and need to be taken into account for resource allocation. In Gateshead for example 25% (49,790 people) of the population live in the 20% most deprived areas in England. There are eight wards containing areas within the 10% most deprived in England. At 64%, Felling ward is estimated to have the highest proportion of its population living in the 10% most deprived areas in England.

Furthermore around 52,679 people (1 in 4) in Gateshead have one or more long term conditions. Over 8,000 of these have three or more long term conditions. The gap in the employment rate between those with a Long Term Condition and the overall employment rate is around 11% in Gateshead compared to an England average gap of around 8.5%. In addition, the planned emergency admission in Gateshead is around 1200 per 100,000 population compared to an England average of 807.

The national allocation of funding needs to respond to the different challenges faced by different regions. There is some concern that at a time of significant reductions and pressures on local authority budgets as to how this funding will be affected without similar reductions. It's important that there is some long term commitment in the levels of funding and how this will reflect changing demands for the service. This also links with question 8 as to how we can provide some certainty for providers in terms of minimising any risk to long term funding. There needs to be flexibility to grow. We would welcome some clarity on how account will be taken of changing and future supported housing services in the calculation of the funding.

*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 sort of statutory provision)?*

A4. In addition please refer to the points raised on the first page.

This won't be required if funding is adequate but there is currently no certainty regarding the amount to be allocated and there is no indication in the consultation document of resource

allocation levels. Where a new statutory duty arises there should be a mechanism to either enable a top up funding process or provision of a new burdens grant to ensure the new duties can be adequately discharged.

If early intervention support provision can be funded through this model, this will prevent vulnerable groups from triggering statutory thresholds, thereby minimising the risk of providing higher cost support services.

Short term floating support to those who need it can help sustain tenancies and enable clients to continue to live independently. This can lead to savings to our statutory and non-statutory services such as health.

There also needs to be some recognition that clients very often have complex and multiple needs which are not always captured by statutory duties. There needs to be a framework that will recognise this.

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

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?

A5. In addition please refer to the points raised on the first page.

Currently supported housing previously funded via the Supporting People Programme, which includes non-statutory provision, is subject to a comprehensive review. These services will be re-modelled in 2017 to better reflect local need and provide a consistent approach to support provision and re-settlement. Strategic planning forms part of the commissioning cycle and the re-modelling of supported housing will be achieved by working within a co-production framework with key partners including current providers and service users. Commissioning of the new services will commence in early 2017 with a projected contract start date in October. It is envisaged that partnership arrangements will be in place in respect of organisations that tender for the new contract. Robust partnerships and collaborations will be particularly important if the new service is re-modelled within a gateway structure. Monitoring arrangements will be built into the specification for the new supported housing contract and will include both qualitative and quantitative data outputs along with a requirement to measure social value.

Future planning, commissioning, partnership and monitoring arrangements will be subject to the robust systems already in place. Co-production is the key to sustainable and cost effective commissioning and it will be necessary to ensure that active collaboration with key partners, including service users, is the fulcrum of the new arrangements.

Q6. For local authority respondents, what administrative impact and specific tasks might this new role involve for your local authority?

A6. In addition please refer to the points raised on the first page.

There is insufficient information to be able to form a judgement on this issue. However it may be that there could be a significant administrative burden and costs placed on the local authority. It may be that new software would need to be sourced and acquired at significant cost. In addition to this, new administrative burdens and software brings with it additional staffing resources which would require additional budgets as new additional staff will need to be recruited.

The above would also require additional management resources to manage these functions and activities would need to be monitored and audited again requiring additional resources and budgeting.

There would be a significant administrative burden and costs placed on the local authority. New software would need to be sourced and acquired at significant cost. Additional staffing resources would be required to manage additional budgets along with assessment and review of claims. Clearly none of this can be planned and progressed until there are specific details and guidance on the new funding regime

There would also be additional management resources required to manage these functions and activities would need to be monitored and audited again requiring additional resources and budgeting.

We would welcome any administrative system to be kept as simple as possible, to ensure that it is clear for service users (bearing in mind the vulnerability of these client groups) but also is not costly to manage; processes need to be Value For Money to avoid admin costs outweighing the actual service charge.

If resources are re-directed towards administration of funding this will further reduce the funding available for schemes for vulnerable people.

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.

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?

A7. In terms of greater oversight and assurance, the new model for funding supported housing should include the following features:

Key Performance Service Delivery Indicators that measure quantifiable outcomes and include realistic targets;

Key Performance Care Delivery Indicators that measure quantifiable outcomes for individual, or sample selection of, residents and include realistic targets;

A measure of social value and the impact of services beyond the contractual framework, e.g. through the adoption of SROI or a similar measurement tool;

A Quality Assurance framework that is outcome focussed and is concerned with measuring the impact of services on individuals through direct face to face contact;

Adopting the principles of co-production to ensure that service users are working with Quality Assurance Officers to measure performance;

Encourage “open days” so that tax payers can visit schemes to meet residents and be assured of good practice;

Using local or internal media to promote good practice and share anonymised case studies.

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

Q8. We are interested in your views on how to strike a balance between local flexibility and provider/develop certainty and simplicity. What features should the funding model have to provide greater certainty to providers and in particular, developers of new supply?

A8. In addition please refer to the points raised on the first page.

For any future funding model to work there will need to be for transparency around commissioning that providers understand. Commissioning will need to have effective marketing arrangements in place sharing information regionally about what services are required to meet local need. This is not unlike current arrangements.

There will need to be clear information about what the market rent covers with safeguards in place for providers, possibly by allocating grant funding directly to the providers.

We need to be able to deliver a long term commitment for funding to allow providers to plan and deliver essential services to vulnerable clients. Without this there is a risk that new services won't be developed and existing ones will become unstable if there is no certainty around funding. Again the balance will depend on proper funding being available

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?

A9. In addition please refer to the points raised on the first page.

A national clear definition of supported housing, and national guidance on the types of additional management costs that are likely to fall under the remit of the grant, would be useful to form a national framework so that providers knew what this funding stream would cover and the outcomes expected. Any national definition will then form the basis of local provision and innovation within that.

This could also include a national commitment to how statutory services will work together in partnership to achieve local and national priorities within and across localities and build on what is in place now. Furthermore key national strategies across health and social care should recognise and acknowledge the role of Supported Housing in meeting national key objectives.

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?

A10. In addition please refer to the points raised on the first page.

Providers, Tenants and Local Authorities need assurance as soon as possible about any transitional arrangements so they can budget appropriately. The transition time of a year is not sufficient particularly if schemes are to continue and develop; development is already being affected and delayed by the lack of certainty.

Assurance around lead in times need to be provided to enable schemes established within the transitional timescales an assurance that funding will be continue to be available once the new model is in place with a full equality impact assessment in place when considering the transitional arrangements for existing schemes, protecting those already in such schemes from any loss of funding.

As there is no understanding of the level of funding to be provided, there needs to be sufficient time built into the process for a challenge to the funding assumptions and for Local Authorities to then have sufficient time to design and implement from there.

It would be helpful if transitional arrangements could be put in place for new claimants only so that we can assess the actual impact on LA services but this would also reduce the immediate impact of assessing all tenants.

Consider a different LHA cap for supported and sheltered housing compared to general needs which is more reflective of costs. This would allow LA's to focus on higher cost schemes as opposed to those of lower general costs.

Transitional arrangements of funding should also be considered for tenants of supported housing schemes when they obtain employment. The funding arrangements for Supported Housing through Housing Benefit places a disincentive for particular tenants to obtain employment and move towards independence as the salary income doesn't necessarily

replace the reduction or withdrawal of Housing Benefit. This is a fundamental problem in Supported Housing.

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?

A11. In addition please refer to the points raised on the first page.

We understand how this new model of funding could bring opportunity, but only where there is a sufficient level of funding both now and in the future. However funding for vulnerable people should not be made complex. Complex funding streams bring increased costs for commissioners and additional risks for tenants and support providers, lack of understanding and potential unmet need.

This proposed new funding model will introduce increased costs with increased administration, staffing and management costs. Increasing the number of different funding streams for supported housing will increase bureaucracy and introduce the potential for increased uncertainty with a more complex funding system in place. This contradicts some of the key principles that this new model of funding is trying to implement. The funding process needs to be simple and transparent. Furthermore the impact on clients could be the risk of increasing vulnerabilities and the potential for clients to end up in debt, homeless or worst case evicted, which all result in worsening their circumstances and undermine support put in place.

The term being used “top up” indicates a payment system per tenant as opposed to block grant funding. Although it isn’t clear how the funding will be distributed, the terminology needs to reflect the method of funding allocation proposed.

Furthermore whilst we welcome the fact that the LHA shared room rate has been relaxed there is still some concern around the 1% rent reduction for supported accommodation which does impact on any future creative around the financial models for new developments

Current funding arrangements are effective, sound, good quality and offer value for money. We are developing schemes that meet local need. Any additional funding would always be welcome but we strive to ensure cost efficiencies in these times of austerity.

We would also welcome information on how this new proposed model of funding will effect the personalisation agenda.

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

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?

A12. In addition please refer to the points raised on the first page.

We would seek clarity on whether or not funding for emergency and short term accommodation is a separate funding stream or part of the larger proposed funding model.

Using the definition linked to Universal Credit would ensure consistency, for example emergency accommodation does not always have support attached to the accommodation provided, and it can't be assumed that emergency accommodation is always supported accommodation.

Funding should be provided directly to those organisations providing short term support to ensure they receive the funding directly particularly when they have a high turnover of tenants.