



Ministry of Housing, Communities & Local Government and Department for Work and Pensions joint consultation on funding for short-term supported housing

LB LEWISHAM RESPONSE

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

Yes. However, it is important that the nature and intention of the service type is recognised rather than just an arbitrary length of stay. For example, people may stay in mental health services for considerably longer than two years but the intention of the service remains 'short-term' and there is an expectation that move-on will occur once support needs diminish. This is distinctly different from a service for an individual with learning disabilities where there is no expectation of move-on and the service is genuinely designed 'long-term'.

The inclusion of bail hostels in the type of accommodation is interesting as these are not commissioned by local authorities – is there an expectation that there will be a fundamental change in the commissioning arrangements for these services?

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

At present there is lack of clarity on exactly how the costs allocated through the welfare system will be calculated.

At a local level we are working on the assumption that this will be based on the total allocation to any service receiving enhanced HB beyond LHA levels but this needs to be confirmed and the exact process for identifying the total level in each authority set out in detail.

However, this level is unlikely to meet the true costs of the current provision as landlords/providers will be in receipt of additional income from residents who are working and not in receipt of full/any Housing Benefit. As such it is important that any ring-fenced post is sized to the full cost of the property and not based on current HB levels in order to avoid a complicated arrangement where levels of funding fluctuate depending on the employment status of the residents. If this scenario were to occur it would be extremely costly and bureaucratic to monitor and administer.

It is also important to identify threshold levels for service against which local authorities can plan. The unmet demand for supporting housing services in London

is significant with many people in need currently unable to access services due to a lack of supply and associated need thresholds for referral. This leads to a number of issues including sofa surfing and the potential for exploitation by rogue landlords or criminal gangs (e.g. county lines activity). Without clear guidance it is likely that any needs assessments will identify significant unmet demand and central government will need a system to assess whether they consider this to have met a sufficient threshold and is not simply meeting a general needs requirement. This may be a peculiarly London issue but has the potential to be significant.

Linked to the above is the need for there to be significant clarity regarding the criteria for the allocation (growth/reduction) of funds to local authorities after the first year. Experience of the attempts to develop a Supporting People Allocation (reallocation) formula following the introduction of that programme in 2003 shows how difficult and fraught this process can be – particularly when dealing with significant number of 'historic' services.

However, the need for there to be a process for the development of new provision is fundamental to the success of these reforms. In areas of significant (projected) population growth such as London the inability to bring forward new schemes will quality lead to significant negative impacts and serious unmet need.

It is also important that Local Authorities are adequately resourced to undertake a range of activity linked to the new regime including ongoing needs assessment as well as commissioning, contracting, monitoring and evaluation work.

Question 3:

a) Local authorities – do you already have a Supported Housing plan (or plan for it specifically within any wider strategies)? [Yes/No]

LB Lewisham does not have a stand-alone strategy for Supporting Housing but plans for the need for this type of service on a broad 'client group' basis in line with a range of other strategies and planning documentation.

These client groups are not as granular as the original SP categories and many have been rolled together into categories such as 'vulnerable adults' and 'young people'.

b) Providers and others with an interest – does the authority (ies) you work with involve you in drawing up such plans? [Yes/No]

c) All - how would the Supported Housing plan fit with other plans or strategies (homelessness, domestic abuse, drugs strategies, Local Strategic Needs Assessments)?

Any specific Supporting Housing plan would dovetail with any and all local strategies in the usual way.

Question 4:

a) Local authorities – do you already carry out detailed needs assessment by individual client group? [Yes/No]

See question 3.

b) Providers – could you provide local government with a detailed assessment of demand and provision if you were asked to do so? [Yes, both / Yes, demand only / Yes provision only /No]

All – is the needs assessment as described in the National Statement of Expectation achievable? [Yes/No]

c) Please comment

This process would be very valuable for Local Authorities but would require resourcing as most staffing teams are already stretched with current workloads and service monitoring.

Question 5: Do you agree with this approach? [Yes/No]. Please comment.

N/A – LB Lewisham is a single tier authority.

Question 6: The draft National Statement of Expectation (see Section 4) published today sets out further detail on new oversight arrangements and the role of local authorities. We would welcome your views on the statement and suggestions for detailed guidance.

The statement is welcome and clearly sets out the Government's expectations which is recognised as good practice in the context of a policy change such as this.

However, as mentioned elsewhere in this response there is not the current resource, either financial or staffing, to undertake this detailed and extensive piece of work within current LA budgets. We urge that the implementation of this policy is adequately resourced and the differing levels of provision and need in local areas is recognised in this resourcing rather than a 'one size fits all' approach.

LB Lewisham would welcome detailed guidance on thresholds of need/eligibility criteria for supported housing. Without such guidance each local authority needs assessment would be based on different criteria and, as such, comparisons between areas in terms of need would be impossible. By setting clear expectations as to exactly the exact levels of need, and the circumstances, under which individuals might be considered eligible for supported housing needs assessments can be adequately benchmarked and future resources allocated accordingly.

Question 7: Do you currently have arrangements in place on providing for those with no local connection? [Yes/No] If yes what are your arrangements?

Yes. There is no local connection requirement for women accessing our domestic violence refuges.

Where there is no demonstrable local connection we will consider the needs of individuals on a case by case basis and will admit them to services as required.

However, it is our experience that, beyond those fleeing violence, there are very few people for whom a local connection cannot be established and the need for this type of service should not be overstated.

LB Lewisham would not support a relaxing of current local connection requirements which may cause services to attract individuals to areas of high need already struggling to meet demand.

Question 8: How can we help to ensure that local authorities are able to commission both accommodation and associated support costs in a more aligned and strategic way? Do you have further suggestions to ensure this is achieved?

As mentioned elsewhere in this response the adequate resourcing of specialist staff within local authorities is essential to the success of this policy.

Question 9: How will you prepare for implementation in 2020, and what can the Government do to facilitate this?

It is vital that the Government provides immediate administration funding to allow local authorities to prepare for the implementation of this policy in 2020.

In Lewisham the changes will mean the local authority taking on responsibility for scores of new services with the associated requirements for initial assessment and contracting as well as ongoing monitoring and quality assurance.

In order to make the new approach a success significant resource is required to assess the 'non-commissioned' services and prepare them for integration into the local authority frameworks in relation to safeguarding, referrals etc and ensure that all of the relevant contractual documentation is ready for 1 April 2020. Experience from the implementation of the Supporting People Programme shows that this initial phase can be extremely time consuming and it is essential that this implementation phase is adequately resourced.

It may also be necessary for LAs to undertake a restructure of their current staffing arrangements to adequately meet the requirements as set out in the National Standard of Expectation and it is important that sufficient time is allowed for these changes to be made.

Beyond this is also important that the details of the exact funding identification methods and the mechanisms for dispersal are released ASAP along with any and all guidance and expectations to allow LAs to effectively plan from a fully informed position.

Question 10: What suggestions do you have for testing and/or piloting the funding model?

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Question 11: If you have any further comments on any aspects of our proposals for short-term supported housing, please could you state them here.

It is important that the status of residents in supported housing is clarified as without formal rent payment this is unclear. It may be that service charge is sufficient to underpin a tenancy agreement but this needs to be clarified.

There should be some recognition that the removal of a rent payment will also negatively impact on the ability of providers to prepare people for independent living. The ability to pay rent and manage budgets is a very useful indicator for the development of independence and readiness for move-on and the loss of this tool/indicator should not be underestimated.

Currently there are individuals in supported housing, particularly those leaving local authority care, who are claiming housing benefit at local housing allowance levels. In order to meet the needs of these vulnerable young people any new system should ensure that either this remains possible, or bring these arrangements into scope for any allocation.



Ministry of Housing, Communities & Local Government and Department for Work and Pensions joint consultation on sheltered and extra-care rent

LB LEWISHAM RESPONSE

Thank you for the opportunity to respond to the Sheltered and Extra Care consultation. Lewisham is an inner-London Borough with 1149 sheltered and extra care units, including 494 Lewisham council owned.

The largest social housing providers in the borough are L&Q and Phoenix Community Housing Association. Council-owned stock is managed by Lewisham's ALMO, Lewisham Homes.

Outlined below is the consultation response on housing costs for sheltered and extra care accommodation.

Question 1: We would welcome your views on the following:

- a) Sheltered Housing Definition: what are the features and characteristics of sheltered housing and what would be the practical implications of defining it in those terms?**
- b) Extra care definition: what are the features and characteristics of extra care housing and what would be the practical implications of defining it in those terms**
- c) Is there an alternative approach to defining this stock, for instance, housing that is usually designated for older people? What would be the practical implications of defining sheltered and extra care supported housing in those terms?**

We broadly agree with the definition of Sheltered and Extra Care supported housing as defined in the consultation documents, where sheltered care is for those mainly over 55 years old with lower level care and support needs, whilst Extra Care provision includes higher support, aiming to avoid admission to, and support step down from, residential care homes. We recognise that some of the terminology is outdated, can be confusing and can have negative connotations for some people.

Lewisham Borough is approaching new extra care schemes with a more flexible approach, and we would welcome a definition of sheltered and extra-care that reflects this. Our goal in new schemes of this type is to create a mixed and supportive community. New schemes include a third of residents with no/ low support needs, a third of residents with medium support needs and a third of residents with high support needs. This model is evidencing strong co-production,

healthy co-dependencies and increased autonomy and self-determination developing between residents, with each group benefitting from the skills and talents of the other and not always being seen as passive recipients of services. This model also recognises the changing care needs of an individual over time.

With our approach in mind, we would welcome a definition of sheltered housing and extra care that recognises that the support needs of residents within such housing is on a spectrum. The current distinctions are relatively rigid – imposing ‘low need’ and ‘higher need’ into the housing types without necessarily recognising the space in-between. If the cap differs according to different types of schemes, this could pose problems for the model described above and other similar innovations in supported housing for older people or other groups in need of care and support.

Question 2: How should the detailed elements of this approach be designed to maximise your ability to commit to future supply.

Lewisham Council welcomes the decision to keep the costs for sheltered and extra care within the welfare system, providing security for future income.

Further information is required on how the sheltered rent will operate. The consultation notes that this it will only be applicable to new supply. Any future cap on rents and services needs to be designed so as not to negatively impact on viability of supported housing schemes, which are more costly to build than general needs housing, and are only viable with significant grant funding. In order to be able to commit future supply, a continued programme of grant funding would enable providers to keep rents and service charges affordable.

Greater certainty on the future revenue funding for schemes would also enable providers to develop a pipeline of schemes to meet future demand. Uncertainty around the available revenue funding for supported housing has caused significant delays to the delivery of new affordable extra care homes in Lewisham. One scheme which was affected was Campshill Road, where the rent reduction policy and looming LHA rent cap meant that the original provider partner was unable to proceed with scheme. The scheme is now onsite and will complete in May 2019, but it was previously forecast to complete in September 2016.

More detail is required on the calculation of formula rent, which is not made clear in the consultation documents. The formula rent +/- 10% must take into account the variable costs of building new supported housing schemes; there is concern that the 10% variation will not be enough to ensure that supported housing schemes are viable in high cost build areas.

The maximum amount for eligible service charge component of the final rent amount must not restrict the provision of necessary services within the range of the supported housing market. It is imperative that the amount is reflective of the varying costs associated with service charges according to a number of factors, including the location, size and type of supported housing. Service charges much allow for the full cost recovery of services for people with additional needs, and

recognise that the costs associated with what is now 'specialist supported housing' much be able to be met by the cap.

Further clarity is needed on what constitutes an eligible and ineligible service charge component, and also how rents will be regulated in non-registered provider schemes.

Question 3: What are the key principles and factors that drive the setting of service charges (both eligible and ineligible)? What drives variations?

Service charges reflect actual costs of running a scheme, and are set according to a number of factors including:

- Size of the scheme and range of communal facilities on offer
- Services provided as part of the scheme
- Infrastructure, including lifts and other mechanical components
- Additional rooms available for other use, for example visiting relatives or outreach work

Location and staffing costs drive variations in the costs of service charges; as a local authority in a central London borough the costs of services are higher than other parts of the UK.

Question 4: The use of a banded approach: how do you think this might work for sheltered and extra care housing?

Whilst a banded approach will recognise the variations in costs of service charges by a variety of factors (according to how complex the banding is) there is a danger that such a system will be overly cumbersome to administer. Variation in costs is not completely clear cut – there is a risk that a banded approach would fail to fully recognise necessary variety in the sector and stifle innovation.

Question 5: not applicable, provider only

Question 6: not applicable, provider only

Question 7: We would welcome your views on the draft National Statement of Expectation, and suggestions for detailed guidance

Similar to our views in the consultation on short term housing, we have concerns about our ability to carry out a needs assessment and produce a supported housing strategic plan without significant new burdens funding for adequate resource.

In addition, we would welcome guidance on the delivery of the needs assessments and supported housing strategic plans. An agreed model for forecasting future demand would ensure that there is consistency and transparency across local authorities.

Question 8: The National Statement of Expectation encourages greater partnership working at local level regarding supported housing, including sheltered and extra care housing. What partnership arrangements do you have for sheltered and extra care housing at the local level?

We have good links with existing extra care providers, through the Extra Care Panel, but resourcing issues mean that the approach to working with providers is not particularly strategic. Sheltered Housing providers don't necessarily have regular contact with the Council as Lewisham Affordable Housing Group no longer meets regularly.

Question 9: How will you prepare for implementation in 2020 and what can the Government do to facilitate this?

In order to prepare for the implementation of a cap for supported housing more detail is required about the level of the cap proposed, and how the cap will be applied for existing and future schemes. In order to investigate and map current provision and need, which we anticipate will require more resource than we currently have, the government could help to facilitate this through the provision of new burdens funding.

The government could also identify boroughs or groups of boroughs to pilot the proposals from 2020 and defer the full introduction of the policy across the country to 2021.

Question 10: What suggestions do you have for testing sheltered rent?

We do not believe that implementation of the rent levels should be rushed – we would like to see a number of pilots of the rent to ensure that the calculations that sit behind it are robust and do not have an adverse effect on the viability and supply of new schemes.