

Consultation on the funding for supported housing

Submission by ADASS

Association of Directors of Adult Social Services

Association of Directors of Adult Social Services (ADASS) is a charity. Our members are current and former directors of adult care and social services and their senior staff. Our objectives include:

- Furthering comprehensive, equitable, social policies and plans which reflect and shape the economic and social environment of the time
- Furthering the interests of those who need social care services regardless of their backgrounds and status and
- Promoting high standards of social care services

Summary

Supported housing plays a significant role in the health & social care system supporting people to live independent lives, with reduced need for care services and therefore can provide significant cost savings. Given the ageing population and increase in adults with disabilities, an ongoing expansion in supported housing provision is much needed. Any change that threatens existing provision and fails to support the required expansion in the sector is of great concern.

It is suggested that allowing appropriate rent levels for supported housing within the future benefit system would best meet future need, provide the support direct to the individual, give confidence to developers, and minimise bureaucracy and duplication.

If the proposals go ahead then the following principles should be followed:

- Arrangements should follow person centred approaches
- Social services authorities to hold funding and commissioning responsibilities
- Local government and adult social care budgets are not further adversely impacted
- Existing governance, commissioning and quality monitoring mechanisms are utilised
- Local authorities retain maximum flexibility, including to jointly commission and pool budgets
- Provide opportunities and incentive to increase supply
- Ensure people are not adversely affected during any transition period

To help address the challenges that we have raised, we would welcome working with the Government, NHSE, partner organisation etc. to find a workable solution to supported housing. Supported housing helps many of the most vulnerable people in society ranging from older people to people with learning disabilities.

Housing for vulnerable people

Specialist housing has an increasingly important role in the prevention agenda. It supports people with care and support needs to live independently, so it delivers on the key components of statutory outcome frameworks required by the health and social care sector. The Care Act 2014 emphasises the important role of housing and housing organisations, with a duty on housing and social care, to cooperate in meeting need and supporting prevention and independence.

The growing ageing population is well documented, together with increasing numbers of adults with disabilities. Our population, including the population of disabled people, is living longer, which is a cause for celebration, however, we are also experiencing longer lives with multiple long term conditions and increased complexity of need. Between 2001 and 2015, the number of people with a limiting long-term illness increased by 1.6 million (16%) and the number of people aged over 85 is expected to double from 1.3 million in 2015 to 2.9 million in 2035¹. Equally, more people with learning disabilities and complex support needs are living longer lives.

	2015	2020	2030	15 yr. change
Over 85 population [ONS]	1,600,000	1,900,000	2,800,000	75%
Adults with a (severe) learning disability [PSSRU]	240,000	260,000	290,000	21%

The benefit of supported housing arrangements is well understood in relation to other vulnerable groups, especially those suffering from mental ill health, and in developing sustainable arrangements for the homeless and other groups, such as those fleeing domestic violence.

The various demographic changes are causing major demand and financial pressures on local authorities and the NHS. It is imperative that we reduce our reliance on care homes and hospital beds, and create alternatives to long stay institutions, including for those with learning disabilities as required through the Transforming Care Programme. Accessible housing with the availability of support, is not only at the heart of delivering the outcomes wanted by people and professionals. It is a key plank of government policy for health and social care and crucial to delivering the required transformed integrated system (as set out in the various sustainability and transformation plans (STPs), health and wellbeing strategies, and Better Care Fund (BCF) plans). Therefore it is important that we see joined up Government approaches to sustain and grow supported housing solutions.

It is in this context that we have major concerns in relation to the proposed changes to the funding for supported housing. The uncertainty created by the protracted time period, between the announcements about changes to Housing Benefit, without clear proposals on how funding will be made available for supported housing, has already had a significant impact on existing tenants, housing providers, investors and therefore developers. It has

¹ ONS 2012-based principal population projections for England

created uncertainty for existing schemes and tenants, and significantly stalled much needed new development.

Supported housing can transform lives, give people greater life chances, better health and wellbeing, and delivers significant savings to the public purse. On average (based on 2010 figures) it saves £940 per person per year, and for people with learning disabilities the saving is £6.764². Without delivering more supported housing schemes as the demographics change, additional costs will be transferred to a health and social care system which is already in crisis. The availability of specialist and supported housing is currently inadequate. If we are to close the gap by 2030, it is estimated 16,000 more specialist homes for older people are needed every year.³ This does not include homes required by thousands of others, including people with learning disabilities.

It would seem that the financial arrangements in relation to supported housing, and the value for money afforded to the public purse, were not well understood by those considering welfare reform.

The system could continue more simply by allowing a continuation of the arrangement whereby rent levels for supported housing are agreed with local rent officers. Then included in the individuals benefit payment whether that be Housing Benefit or within Universal Credit (UC), as it is rolled out. If necessary with appropriate confirmation from health & social care that the housing is an appropriate preventative measure, or avoids the need for institutional care. This would have the benefit of avoiding additional administration costs to local government and promoting the principle of independence and personal budgets (either UC standing alone or coupled with a personal social care and/or personal health budget). This system would also maintain the confidence of investors, developers and housing providers.

We would therefore strongly recommend that these proposals be withdrawn. Instead the Government should retain the principles of the current system, consult on how to improve the system and incorporate it in UC as it is rolled out to all groups, including older people.

Responses to the questions within the consultation document

We believe the proposed changes should be withdrawn. With a new consultation on implementing a revised version of the current arrangements, alongside the complete implementation of the UC scheme in 2022. We provide the following responses to the specific questions within the consultation document.

Should the proposals go ahead, there will be a need for transitional arrangements, not least because of the link to Local Housing Allowance (LHA) rates. This has the potential to leave many areas with significant shortfalls, whilst other areas with high LHA rates (mostly in the south and south east) will be much less affected.

² Financial Benefits of Investing in Specialist Housing for Vulnerable and Older People. Frontier Economics; 2010.

³ National Housing Federation Analysis

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?

We believe that should these proposals go ahead then upper tier authorities i.e. those with social care responsibilities should hold the funding. The funding should be held within social care budgets with maximum flexibility allowed including the ability to pool funding with partner organisations, alongside the BCF.

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?

The opportunities for maximising collaboration between local agencies will be assisted by the funds and responsibilities for commissioning services being held at the upper tier level of local government.

Upper tier authorities already co-ordinate, or are part of joint bodies working across their area and cross boundary, such as health and wellbeing boards (HWBs), safeguarding boards and arrangements linked to current STP mechanisms. Where possible, and to avoid further bureaucracy and duplication, upper tier local authorities should be allowed to amalgamate the functions required into existing systems. Many areas link arrangements with safeguarding, integrated working (such as BCF and STPs), and broader requirements to their HWB arrangements. *[Housing issues sit well with the broader public health responsibilities of local authorities and so HWBs.]*

Building on the recommendations of the Local Government Association (LGA) Housing Commission, 'Building Our Homes, Communities and Futures', published in December 2016. HWB's would seem well placed to determine and agree priorities for supported housing. This would have the benefit of drawing strategic housing planning into the HWB process (especially in two tier areas) and complementing the BCF arrangements where funding for Disabled Facilities Grants already sit as part of joint planning arrangements. Where they don't already do so, HWBs have the ability to draw in other local partners (such as youth justice boards, police and crime commissioners etc.) as they consider local supported housing needs.

Joint commissioning arrangements already exist at upper tier level, at least with health, and expanding these arrangements where necessary would be a pragmatic and cost effective method of undertaking joint area based commissioning.

Q3. How can we ensure that local allocation of funding by local authorities matches local need for supported housing across all client groups?

The key issue in meeting the growing need for supported housing will be ensuring that local authorities have sufficient funding, both revenue and capital.

Local areas need to be given the flexibility to best meet local need in their area, and the process of undertaking joint strategic needs assessments (JSNAs), as used in the creation of

health & wellbeing strategies involving all stakeholders, is well developed, as is the creation of local Market Position Statements which support commissioning strategies.

As strategic changes are made, where there is any impact on existing tenants, there will need to be transitional protection. Because of the massive variance in LHA levels in various geographies across the country, the overall distribution of the grant will need careful consideration to ensure equity of opportunity for areas to appropriately meet the needs of their population.

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)?

Additional funding in line with demographic changes is required, if protection is to be afforded for the current and future population of people with care and support needs. Insufficient resources will be the biggest barrier to vulnerable groups getting access to the supported accommodation they need – whether or not they are seen to be covered by statutory duties.

Local authorities with social services responsibilities and the duties of HWBs already require that there is fair access in meeting need, and delivering outcomes for people and communities (including the responsibility to implement preventative approaches). The grant needs to sit alongside other funding streams, with the ability for it to be pooled when considered appropriate (including consideration of it being included in BCF arrangements), to support joint working and ‘joined up’ solutions. In this way the grant may well be added to by local systems in providing supported housing solutions.

Further ring fencing is not required and would restrict flexibility and innovation in meeting needs, and may well have unintended consequences.

There could be a benefit in linking the grant to existing outcomes frameworks. This would support a focus on prevention included within the Care Act and public health responsibilities.

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?

Should the proposals be implemented, upper tier authorities should coordinate the identification of priorities through the arrangements (JSNAs) that already exist in relation to HWBs. They should ensure that housing is adequately involved in the arrangements and that the planning also informs local housing and planning strategies.

Monitoring arrangements in relation to quality and value for money should be included in existing commissioning systems. Over time, if necessary, and when they are reviewed, amendments could be made to the national health and social care outcomes frameworks.

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

There is the potential for significant impacts as a result of the proposals. Depending on how the funding is allocated to individuals there could be implications for assessment and care management resources, requiring staff time for assessments, reviews, and potential financial assessments.

The preference is for funding to be linked to individuals through personal budgets, however, many older people do not take up the opportunities of direct payments. There will inevitably be a further administrative burden in managing contracts and payments to providers, and in the monitoring arrangements.

There will be a need for transitional arrangements to protect existing tenants. For example, all the people who have been resettled over the years from institutions and whether these people are covered by an exemption or transitional period. This will require some element of dual system operating for a period which will create the need for further administrative systems.

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?

As stated in previous answers, the link to existing systems used by local authorities will provide the necessary oversight, both in relation to value for money and that outcomes are being met on both an individual and community level.

The link to personal budgets will monitor individual outcomes, and the outcome frameworks at a client group and area level. The overall system will be open to public scrutiny through the usual processes of the HWB, the local authority scrutiny committee system, and Healthwatch.

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?

There will inevitably be a period of uncertainty and lack of confidence amongst investors, developers and providers until the 'new normal' state is reached. The current position has already produced uncertainty and a stalling of new developments – together with some providers reviewing existing provision.

Clearer direction will need to be given in local areas as to their future intentions, through a joined up approach to planning, housing strategies, health and wellbeing strategies, and commissioning intentions across health and social care. A demonstration of co-ordinated strategic intent in an area is likely to build confidence, particularly as budgets and revenue

streams in local areas are aligned to local plans. A strong Government commitment to ongoing provision of appropriate levels of revenue funding is therefore essential.

In addition to ongoing support costs, supported housing often requires higher rent levels. This is due to the higher costs of building in the required infrastructure, and space standards to ensure accessibility, and that the need for support and care is minimised i.e. independence designed into the building, including the easy availability of digital technology services. Additional funding should be built into Government and HCA grant processes for supported housing, to reduce the need for ongoing revenue support.

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?

As referred to in earlier questions, existing frameworks should be used and if necessary, amended following review, such as health and social care outcomes frameworks, together with the JSNA process and market position statements – requiring a specific assessment of the accommodation needs of particular client groups.

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?

Transitional protection for existing tenants will be required. The fund should see year on year increases linked to the growth in the groups requiring supported housing (in line with the appropriate increase that would have been seen in Housing Benefit). As new funding is introduced, mechanisms could be used to freeze funding in areas where LHA levels will adequately cover rents in supported housing schemes. This would allow funding to flow to areas most adversely impacted by this arrangement.

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?

It is likely to prove extremely difficult to get a local top up model to work for all parts of the system. An improved version of the existing system, with rents reflected in Universal Credit, as it is rolled out, is more likely to achieve the required revenue solution. This will benefit tenants and providers, and provide confidence to developers. In relation to infrastructure, greater responsibility could be required of local commissioners to better strategically plan the volume of supported housing needed.

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?

The definition of short term may have to be pragmatically linked to the time taken for the Universal Credit application process, therefore for accommodation aimed at supporting people to move on to longer term tenancies within eight weeks. However, flexibility will be essential for providers, as the ability for people to move on is often dependant on the availability of follow-on housing. For such funding to be provided by local authorities through the ring fenced funding would require the Government to transfer the total funding, including that which would have been spent on housing benefit, for these client groups.