



## **Consultation on housing costs for short-term supported accommodation**

### **Homeless Link response**

Homeless Link is the national membership body for frontline homelessness agencies and the wider housing with health, care and support sector. We represent over 700 organisations providing supported housing and homelessness services across England. We work to improve services through research, information, training and guidance, and to promote policy change that will ensure everyone has a place to call home and the support to keep it. We also coordinate the Supported Housing Alliance, which draws on the unique expertise and breadth of our membership to champion the vital contribution supported housing makes to some of the most vulnerable groups in society, and ensure their voice is influential in shaping policy and practice across the sector.

We welcome the opportunity to comment on the Government's proposals for short-term supported accommodation. The challenge of creating a funding system for supported housing is one that successive governments have wrestled with in recent years. We recognise the challenge facing policy makers – it is a hugely complex sector, making finding solutions equally complex. Supported housing provides a lifeline for thousands of vulnerable people and has a key role to play in achieving a number of Government priorities, not least its commitments around ending homelessness and rough sleeping. It is, therefore, imperative that we get it right.

### **Introduction**

We welcome the Government's acknowledgement of the value and importance of supported housing. When the consultation was originally published, we welcomed the Government's commitment that the Local Housing Allowance would not be applied to supported housing. This was something we had called for, along with our members, through the previous consultation. We were also members of two of the Task and Finish groups convened by MHCLG to support the development of the proposals – we attended the meetings on short-term accommodation and fair access to funding.

Since the proposals were published, we have heard from our members through our national consultation events, meetings and one-to-one conversations. Throughout these conversations, our members have acknowledged the benefits of the proposals, such as the reduction in administration and the opportunity for people to move into employment. However, it is clear that for the majority of our members the challenges presented by the proposals outweigh these benefits and, in their current form, put services for homeless people at significant risk. There is also a lack of detail around some key elements of the model, which does not provide the necessary assurance that these risks will be mitigated. In addition, we believe the proposals do not achieve the objectives the Government has set itself around supported housing and could jeopardise its ability to meet its commitments around tackling homelessness.

We acknowledge that there are a range of views on this consultation and that some of our members will be responding individually in support of the proposals. However given the weight of feedback across our membership, we feel that there are still too many missing details and too much future uncertainty for us to support the model as outlined in the consultation. We, therefore, urge the Government to instead consider a solution that retains a greater proportion of funding for short-term supported housing provision within the benefits system.

## Summary of key concerns

Further details are available in our responses to the individual consultation questions, but concerns from our members centre around the following key areas:

### Definition of short-term

There is strong opposition among our members to applying the proposal for short-term services to all services providing support for up to two years. Many feel this is an arbitrary timeframe and runs contrary to the person-centred approach services take to supporting people to move on. If two years became a hard deadline, this could risk people moving on before they are ready to do so or services being penalised for taking a personalised approach to lengths of stay. Many of our members would prefer a model that retains more provision within the benefits system, either by reducing the amount of time services are funded outside the system, for example, to 12 weeks, or by amending Universal Credit to cover short stays.

### Impact on tenants

One of the biggest concerns raised by the proposals is their impact on tenants. With no rent payments underpinning the relationship with their landlord, it is unclear what rights and protections people will have and the nature of their tenure. A key part of preparing to move on is also managing finances and rent payments and the proposed model removes the opportunity for people to learn these skills and demonstrate them to potential landlords. While the new system does enable people to move into work and offers a chance to save for deposits and furniture when moving on, these are substantial issues that need to be addressed.

### Local ring-fenced grant

There are significant concerns about the long-term security of a local ring-fenced grant in the current financial and political context. There is also no detail in the consultation about how local grants will be sized and allocated in the initial year and how grants will be responsive to increases in costs and demand. Members are concerned that without a full understanding of the costs of providing supported housing and clear plans to adjust the pot to reflect the reality of these costs and increased demand, services will become financially unviable.

### Local authority commissioning

While we welcome the consultation's focus on needs assessments and strategic planning, there is very little detail in the consultation about how any new commissioning arrangements might work in practice. In the absence of this detail, members have raised a number of potential challenges. These include the impact of short commissioning cycles on service stability, contracts being awarded on the basis of cost rather than quality and what performance management frameworks might be introduced as part of the new system. Many members operating in two-tier authorities do not agree that upper tier authorities should hold the grant funding, as both the expertise and responsibility for homelessness and housing sits at the lower tier.

There are further concerns around the robustness and consistency of needs assessment processes across different local areas and the quality of available data for groups, such as rough sleepers. There is also a perception that funding will follow local priorities and that certain groups could miss out on funding, particularly if there are no statutory duties owed to them. The non-statutory status of the National Statement of Expectation, the local strategic plans and any future guidance means that they do not give the necessary protections for vulnerable groups.

### Protecting and boosting supply

The Government has outlined a clear commitment in the proposals to protect and boost supply of supported housing. However, these proposals do not provide the long-term security members need to develop new services. There could also be unintended consequences for existing supply. Many members have also flagged that they might risk breaching existing loan covenants under these proposals. It is unclear how supported housing schemes not currently commissioned by local authorities will be costed and accounted for in the new system, and if this vital provision is lost it will increase pressure on other services. Concerns have been raised around how specialist services, for which there will not be enough demand in any one local area, will be commissioned in

a new localised system. Some members have also indicated that the proposals may result in them stepping away from their current short-term provision and instead providing long-term accommodation given that funding through that model is seen as more secure. All these factors could have a serious impact on the diversity and stability of the short-term sector.

### **Funding for support costs**

We are disappointed that this consultation has again missed the opportunity to talk about funding in the round by only focusing on housing costs. In order to secure a truly sustainable future for the sector, the pressure on support funding streams needs to also be acknowledged and addressed.

## **Response**

### **Definition**

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

Throughout the consultation it has been difficult to separate members' comments on the definition from comments on the funding model as the two are intrinsically linked. This is particularly pertinent to the two year timeframe in the definition. As the majority of our members have reservations about the funding proposals, comments on the definition have mainly recommended reducing the timeframe to retain more provision within the benefits system. The most frequently suggested alternative has been 12 weeks, though others have suggested up to 6 months.

The consultation does not provide a rationale for the two year timeframe or set out why short-term provision needs a different funding model to longer-term accommodation beyond the initial incompatibility with Universal Credit. The type of accommodation included within this definition is not homogenous, and many people felt there was a further distinction between emergency/crisis accommodation and longer-term transitional housing. As members of the Task and Finish Group on short-term accommodation, we would highlight that the group was divided about a possible timeframe and did not include one in the final definition in the group's report.

There are concerns that the timeframe will be a hard deadline and that services could be penalised if people stay with them for longer than two years if move on is not possible or appropriate. If it is not a hard deadline, and services have a mix of short-term and long-term tenants within one service, it is unclear who will determine how they are defined and the mechanism by which this will be done. Services work with people as long as needed and there was some suggestion that a definition should be needs-led rather than time-limited. Some people recognised there might be a need for an indicative timeframe but would prefer to see more flexibility within the definition. Others questioned the need for a timeframe at all, as removing a timeframe from the definition could still allow a local authority to focus on move on as an outcome.

A number of members have flagged concerns that removing services falling under this definition from the benefits system could potentially have a negative impact on move on. One of the key concerns raised was that developing skills around paying rent and managing finances was a key part of preparing people for move on. Paying rent allows people to build up a track record of rent payments to demonstrate their readiness for move on to landlords. While the proposed system would remove the issue of tenants falling into rent arrears while in supported housing, there were concerns that the risk of a move on placement failing because of people not being able to manage rent payments at that stage could increase. This was also flagged by our lived experience panel. They recognised that not being liable for rent at a point of crisis and entry to supported accommodation could help people, but in the long term they felt moving people to a rent-based system would be advantageous as part of the preparation to move on. However, other members have given examples of other mechanisms, such as training programmes and similar, that could be used to help develop these skills. Some members and our lived experience panel also flagged that there might be a disincentive for tenants to move on, particularly if accommodation available to move on to is expensive/low quality and the person is in employment. Others, however, saw an

opportunity to support people to save for a deposit or furniture at the point of move on if they were in work while in short-term supported housing.

Beyond move on, we are very concerned that no thought appears to have been given to the impact of removing an individual's rent liability on the nature of their tenure. The payment of rent underpins a tenancy agreement and the rights and protections for a tenant within this. We are concerned that any weakening of these rights as a result of these proposals would make it easier for vulnerable people to be excluded from services and increase the risk of people becoming homeless. This is something that was particularly highlighted by our lived experience panel. We would urgently ask the Government to clarify the tenure arrangements in the proposed model.

While some members acknowledge that the definition does capture broadly what supported housing does, concerns remain about some elements of it. The definition, as it currently stands, does not take into account differing levels of need and instead defines people by the service they are receiving support from. On the other hand there were concerns that introducing wording around, for example, complex needs into the definition could potentially introduce thresholds and eligibility criteria. The proposed definition is also broader in scope than the current specified accommodation definition, which would potentially affect the sizing of the local grant. In its current form it could feasibly include temporary accommodation, although we understand that is not the policy intention, and potentially other models, such as supported lodgings. It is also open to interpretation by local authorities and there is a risk this could lead to certain services being prioritised or overlooked depending on what the authority wants to fund. Differences in local definitions could also be problematic if people are being supported across local authority boundaries. While some clarity around different models could be helpful, it was felt that this definition does not offer that clarity. Others flagged that related definitions and timeframes exist in other pieces of legislation, such as benefit regulations and homelessness legislation, and it is important these definitions do not contradict each other.

### **New funding model**

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

There has been a consistent message from members throughout the consultation that a system based on a discretionary ring-fenced local grant does not provide assurances that costs will be met. The sector's experience of the Supporting People programme, and the 45% cut to funding once the ring-fence was removed,<sup>1</sup> means there is a significant lack of confidence in the long-term security and sustainability of funding. While members acknowledge it is the Government's intention to protect the ring-fence for as long as possible, the restrictions on protecting it beyond the length of the current Parliament mean there is real concern about its future.

In terms of sizing the initial grants in 2020, the consultation indicates that this will be based on current Housing Benefit claims in each local authority area. However it also talks about funding being based on 'current projections of future need'. These appear to be two different approaches – one based on existing provision and the other based on future need. These are likely to result in two quite different amounts as we know that there are already significant shortfalls in provision.<sup>2</sup> Local authorities also have different systems to record Housing Benefit and the current funding landscape is so complex, there are concerns that this data will be inaccurate, which would have a significant impact on the funding available. Clarity around this, and how grants will be sized post-2020, including a clear plan to grow the pot to reflect cost increases, would be welcome.

A number of members discussed the impact this lack of reassurance around costs will have on current and future supply. Although funding is secure once a service is commissioned, the insecurity of any revenue funding from one commissioning cycle to the next within the new model could make boards and investors reluctant to develop new supply or trial innovative new models.

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<sup>1</sup> National Audit Office (2014) *The Impact of Funding Reductions on Local Authorities*

<sup>2</sup> National Housing Federation/Sitra (2017) *Strengthening the case for supported housing: the cost consequences*

The potential impact on existing provision should also not be overlooked. Under these proposals, providers will lack the ability to control their income, which could leave them in breach of the conditions of their existing loans. Current providers of short-term accommodation may, therefore, take a decision to move to providing long-term or general needs housing as these will provide a steadier stream of revenue funding through the benefits system going forward. We believe the new proposals could therefore significantly undermine the Government's welcome focus on increasing future supply and could reduce the amount of provision across the short-term sector. This would exacerbate the existing gap between demand and supply in the supported housing sector, as once these services are lost it will be difficult to get them back.

Within the wider concerns that funding will not be secure in the long-term, there are also concerns about costs not being met for certain groups. While we appreciate the needs assessments and strategic plans discussed below are intended to safeguard against this, the non-statutory status of these means they do not offer the necessary assurances. Many members remain concerned that certain groups will lose out in a discretionary system, particularly the groups seen as less popular politically, and those to whom a statutory duty is not owed, for example single homeless people.

There is very little detail in the consultation about the design of the new model, particularly the mechanism by which providers will receive money from local authorities. There were a number of questions about whether the funding would be a grant or contract, what assumptions would be made about voids, service charges etc., in pricing contracts, how often providers would be paid and the performance management framework that would sit alongside commissioning. This further adds to people's concerns about costs, although members did have some suggestions for design features that could provide more assurance that costs would be met:

- A clear process for growing the pot year on year to reflect increases in costs and changes in demand, for example through index-linking and a regular review of local needs. The pot will also need to be responsive to external factors that may have an impact on housing costs within a contract period, such as costs associated with changes in health and safety legislation.
- Longer-term contracts – there were various suggestions for the possible length of these ranging from 3-10 years. There needs to be a balance between security for the provider and tenants, and also ensuring that providers do not get trapped in poor contracts.
- Clarity around how service charges are being taken into account in sizing the grant and in commissioning – there are concerns that the higher housing costs in short-term supported housing may not be well understood by commissioners. It is also unclear how housing costs will be calculated and conceptualised within contracts if we move away from rent payments and the benefits regulations underpinning service charge eligibility. Members have questioned if, for example, HCA rent-setting processes will still apply to registered providers (RPs) in the new system? And what happens to providers that are not RPs?
- A clear plan for supporting innovation within the sector – if the only funding available is linked to service delivery contracts it may be difficult to secure funding for innovation and piloting.

### **Strategic Plans and meeting local needs**

#### **Question 3:**

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

**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)?**

Homeless Link welcomes the focus on strategic planning in the consultation, and local supported housing plans are something we advocated for in our response to the consultation on the Local Housing Allowance cap last year. Many of our members feel that the greater emphasis on partnership working offers an opportunity to the sector to help shape local strategies. However, some are concerned that without a statutory basis for these plans, some of the potential benefits

will be missed. There are concerns that, in the absence of statutory duties, local authorities will not be transparent or accountable in terms of their engagement with the sector. One suggestion to counter this was more explicitly making partnership working a condition of grant funding. It also unclear if these plans and the underpinning needs assessments will be audited in any way, with some suggestion there could be a role for independent agency to take this on – one suggestion was a mechanism similar to the one run by St Andrew’s University for the Supporting People programme.

The success of these plans will also depend on a range of key local partners such as health, criminal justice and social care agencies, who will have no duty to engage with and be accountable for these plans. Without strengthening the role and status of these plans, members are concerned they will be ineffective and will not complement existing strategies around, for example, homelessness or criminal justice, or maximise local budgets through alignment with, for example, Clinical Commissioning Groups (CCGs) or Police and Crime Commissioners. Putting these plans on a statutory basis could also provide some safeguard in the event of the ring-fence being removed from the local authority grant further down the line.

In terms of effective local collaboration, Homeless Link is a member of the Making Every Adult Matter (MEAM) coalition along with Clinks and Mind. MEAM currently supports 37 areas across the country to improve local responses for people experiencing multiple needs. 27 of these areas are using the MEAM Approach – a nonprescriptive framework to help local areas design and deliver better coordinated services. Although each MEAM Approach area delivers differently, all bring together a partnership of voluntary and statutory agencies that commit to designing a coordinated and flexible response for people experiencing multiple and complex needs. In some MEAM areas, for instance Sunderland and Basingstoke, the partnership is led by the housing department of the local authority, and has helped them to create strong strategic and operational links with other agencies. These examples, and others across the sector, should be considered and built on in the design of any new strategic approach to local planning to ensure that supported housing can play a key role in local systems effectively supporting people with the most complex needs.

Any comprehensive supported housing plan should also take support funding into account. We are disappointed that, once again, this consultation focuses on housing costs and the opportunity has been missed to review supported housing funding in the round to develop a fully sustainable model for the future. Adequate funding for support is critical to achieving the outcomes around move on the Government is hoping to see as a result of these proposals. Members continue to report pressures on support funding streams and, in some areas of the country, Supporting People funding has completely disappeared. It is unclear how, without a robust support funding stream, the ambitions around supported housing outlined in the consultation can be met.

***As part of the Strategic Plan for Supported Housing and through the National Statement of Expectation (which outlines what local authorities should consider when allocating funding costs for short term supported housing), we are asking for a detailed needs assessment of the demand and provision for all client groups.***

***Question 4:***

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

***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***

Again, members agree with the intention and principle of a needs assessment but there are significant concerns about how this will work in practice without an enhanced, robust, consistent and transparent process underpinning it. There are a number of groups members feel are routinely underrepresented in local needs assessments, including rough sleepers and people who are at risk

of homelessness. If we rely on existing needs assessments and methodologies, there are concerns these groups will continue to be missed. There were a mixture of views on whether guidance should explicitly list groups to be considered within a needs assessment. Some people felt this might be helpful, others worried that it categorised people rather than responding to needs. This is another area where engagement with local stakeholders will be critical, and members would like to see this explicitly mentioned in any guidance published as part of future changes to supported housing funding. A number of people also asked for clarity around people with no access to public funds within the proposals. As Housing Benefit would no longer cover housing costs for short-term services, this could provide a real opportunity for services to support this group where they have not been able to before, and there was a plea that this needs to be considered within the proposals.

Linked to needs assessments are broader concerns about how responsive local and national systems can be to changes in need within the commissioning cycle. This includes national government changing grant levels to local authorities, adjustments to the range of services commissioned by a local authority and changes to the services providers might offer.

***In two-tier local authority areas the grant will be allocated to the upper tier, to fund provision as agreed with districts in line with the Strategic Plan. Grant conditions will also require the upper tier to develop this plan in cooperation with district authorities and relevant partners.***

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

While some members acknowledge that funding upper tier authorities offers some opportunity for alignment with support funding streams and broader priorities, this is outweighed by concerns around the lack of housing expertise and capacity at that level. While the proposals do remove the administrative burden for local authorities related to individual benefit claims, the proposals will require local authorities to take up a number of new tasks in what might be a new area for many commissioners. These tasks include carrying out additional needs assessments, drafting strategic plans, engaging a new set of stakeholders, securing grants and managing new contracts. While officials have been clear that local authorities will receive new burdens funding to help with the additional roles required of them, there are concerns will be inadequate, as has been reported with the Homelessness Reduction Act.

Many members would prefer that, if funding is to be held by local authorities, it is held at the level of the strategic housing authority. This would ensure that the funding sits alongside the existing expertise, responsibilities and local relationships held at this level. If funding remains at the upper tier level, we would want to see even stronger expectations around upper tier engagement with their lower tier colleagues so that this is meaningful and does not become a tick box exercise. Our members have also requested some clarity around where the funding will sit within a unitary 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 key feedback from members around the National Statement of Expectation is that it is not clear how, without a statutory basis, it will be monitored and enforced. As with the strategic supported housing plans, many would like to see the National Statement put on a statutory footing. It is currently unclear what will happen if local authorities do not meet expectations or grant conditions – how will the needs of their local area be met in this scenario? Concerns were raised that the proposals could also have an impact on the independence of providers if they are reliant on local authorities for funding. Will there be a mechanism through which providers can challenge local assessments and plans or appeal decisions?

There was also some discussion about what is meant by ‘promoting delivery to a decent standard’. As this could vary depending on local interpretation, it was raised whether there was a role for a

national definition of what this means, which could draw on existing legislation and definitions if appropriate. Many members would also like to see greater involvement of people with lived experience in any further development of the National Statement.

While many members acknowledge there was a role for more oversight in some parts of the sector, questions were raised about whether this necessitated an entirely new funding system. Given that long-term supported accommodation will remain in the benefits system with increased oversight arrangements, members would be interested in exploring whether this might also be possible for short-term accommodation.

Moving people on to more independent living arrangements is the key aim of any transitional supported housing service. The focus on this within the National Statement of Expectation is therefore sensible, but there are significant concerns that the consultation does not recognise the multiple factors that are at play in moving someone on, many of which will be partly or wholly outside the remit of the provider, resident and local authority. Factors such as availability of social housing and how it is allocated, the disparity between the Local Housing Allowance and the private rented sector in many areas and the reluctance of some landlords to rent to people in receipt of benefits will all have an impact on move on. There is also no acknowledgement of the critical role the support element plays in preparing people for move on and we are once again disappointed that the funding of this element is not being discussed as part of securing a sustainable sector.

### **Local connection**

***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?***

We welcome the acknowledgement that there are a number of situations in which it will be better for someone to be supported outside their local area. This flexibility is important so that people can be supported safely and appropriately in a way that best meets their needs. However, a number of concerns have been raised about how this might work in practice. One of the most consistent questions is how realistic it is for local authorities to accurately assess and plan provision for people with no connection to their area.

Members have also raised concerns about some of the possible unintended consequences in terms of commissioning. If local authorities have a limited pot, they may rely on services being commissioned in neighbouring authority areas instead of providing them themselves. If it proves a significant burden on particular local authorities, it might be a disincentive to commission certain services further down the line. Others queried how this aligns with the approach to local connection in the Homelessness Reduction Act. Members would like more detail about how this will work in practice and the guidance, protocols and criteria that might underpin it.

### **Commissioning**

***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?***

There are a number of concerns and queries about how local authority commissioning will work in practice and the impact this might have on service provision, both now and in the future. As mentioned previously, a lot of the technical detail around this is not yet available but members have identified a number of potential challenges.

The pressures on local authorities in recent times mean that a number have restructured their commissioning teams and there are concerns that this means expertise has been lost. In two tier areas housing and support have, on the whole, operated separately and many members feel that commissioners with new responsibilities under these proposals might not have an understanding of the more technical elements of supported housing and the associated higher costs. This could have an impact on all elements of the model, not just commissioning but also planning, costing and assessing levels of need. There are concerns this might result in a more generic approach to



commissioning, particularly given the assumption that local authorities will want to handle a minimal number of contracts, and the risk of commissioning based on cost in the context of a finite funding pot. This could have a knock-on effect on the shape of the market, with smaller providers potentially being squeezed or priced out.

The concern about a more generic approach to provision also highlights the precarious position of highly specialised services, where no one local authority would identify a high enough level of need to commission a dedicated service. Members wondered whether there would be opportunities in the model for multi-local authority or regional commissioning of these services. Also where services are not currently receiving any support funding from local authorities as they are raising this in other ways, for example, through grant or social enterprise funding, these may not be on an authority's radar. While we recognise there are concerns about the lack of oversight of some of these services, as indicated in our response to question 6, members questioned whether there were other ways of achieving this through the benefits system. If this provision is not properly included in sizing the pot, needs assessment processes, planning and commissioning, and the impact of the loss of these services on the rest of the sector could be significant.

As mentioned previously, members felt that longer term contracts were critical to future planning and to providing some stability for tenants and providers, with 3-10 years as the range of possible timeframes discussed. Given that, in some cases, support contracts are currently being awarded that would run beyond the implementation of the new system in 2020, greater clarity around how the various commissioning cycles might eventually synchronise would welcome. It is also unclear what is expected would happen to tenants in the event of a service being decommissioned.

Some members felt that the proposed model also did not necessarily reflect the range of different ways that services are currently delivered and was based on quite an urbanised assumption of accommodation-based schemes. Concerns were raised that other models, such as those based around dispersed or rolling stock for example, were not well understood or accounted for in the proposals, particularly as the focus is on funding schemes and not individuals. A number of members also raised queries about how the new model would impact on agency managed services and who would hold the contract with local authorities.

Another key question raised by members was how commissioning arrangements would affect the relationship between providers and local authorities. Who, for example, determines who is accepted into the service? Would providers be able to turn down a referral from a local authority if, for example, they did not feel they could safely support them, or would they have to accept them? Conversely, would local authorities be able to challenge providers they thought were cherry picking tenants?

## **Implementation**

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

As we have set out, we believe there is a strong case for the Government to reconsider the proposals and developing an alternative approach. However, if they do go ahead, many of our members feel that the 2020 timeframe is too ambitious, particularly for short-term accommodation where so much of the detail is yet to be determined. Local authorities will also be implementing the Homelessness Reduction Act, which will have an impact on their capacity. Alternative suggestions included a phased implementation from 2020, with short-term accommodation implemented last, or a shadow year from 2020 with full implementation from 2021. While we appreciate that for some members, delaying implementation prolongs the uncertainty, for many it is imperative that we get this right and it is too complex to rush.

Our members had a number of suggestions about what would be needed ahead of implementation:

- Information for local authorities and providers about local grant funding levels – a clear allocation formula and also a process for calculating uplift in funding in subsequent years. Local authorities should have access to data about which services are currently receiving HB in their area as this would provide information on non-commissioned services and ensure upper and lower tier authorities had the same information
- A final definition for short-term accommodation and a clear process for how services will be designated
- Full set of guidance, including a robust needs assessment process – the timing of this is crucial as providers and local authorities will need time to plan, adapt and implement
- Given that there will be a number of different commissioning cycles at play when this is implemented, some transitional arrangements should be in place so that providers are not excluded from commissioning process as a result of existing contracts
- Targeted engagement and consultation with tenants in supported housing
- A robust system for monitoring performance against the needs assessment

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

Whatever the outcome of the consultation, many of our members would like to see any new system piloted ahead of implementation. For any pilot to really inform any further development of a funding model, it would need to be across a range of different local contexts, including at upper and lower tier authority level, different providers and different client groups. Data collection and monitoring should also form part of these pilots. There should also be a clear process by which learning from these pilots is incorporated into the roll-out of any new model – it was felt this was another argument for phased roll out. We know a number of Homeless Link members would be interested in possibly piloting aspects of the proposals and we would be happy to work with Government to facilitate this.

**Overall**

**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**

As outlined in the introduction, Homeless Link feels that, on balance, the range of risks in the model and a lack of detail about how these might be mitigated, means we do not feel confident the current proposals are fit for purpose for the sector. Instead, we would like to see more work done to develop a model that retains the majority of provision within the benefits system. This would provide greater parity between how housing costs are met for tenants in long-term and short-term accommodation, rather than creating two different systems around an arbitrary distinction in services. We know a number of our members are working on alternative models to submit to the consultation and would urge Government to review these proposals. This is particularly in light of the recommendations from the short-term accommodation Task and Finish group that both a benefits based and non-benefits based model should be considered. We also feel this would better achieve the Government's ambitions around securing supply and that greater oversight could be introduced through the benefits system, as is being suggested for long-term accommodation, without needing to introduce an entirely new system.

We see there being two possible ways a benefits based system could work:

- 1) In light of changes to Universal Credit announced in the 2017 Autumn Budget, further changes could be made to make Universal Credit that are compatible with stays in short-term accommodation. This could include changes to the frequency of payments, funding being available from the beginning of someone's claim, and other alternative payment arrangements.
- 2) Providing grant funding to cover short stays in supported housing (suggestions range from 12 weeks to six months) and then funding for the rest of a person's stay would come

through the benefits system. This would allow time for someone to recover from an initial period of crisis and get a benefits claim set up ahead of move on.

We are members of the MHCLG Rough Sleeping Advisory Group and welcome the Government's commitments on ending rough sleeping. In order to achieve this, it is critical that there is a sustainable and secure supported housing sector, supported by a cross-departmental strategic approach at a national and local level. We will also continue to champion the significant contribution the supported housing sector makes to a number of broader national policy priorities, through our involvement in initiatives such as the national Memorandum of Understanding on improving health through the home supported by Public Health England and our membership of the Reducing Reoffending Third Sector Advisory Group's special interest group (SIG) on accommodation. This latter group is currently supporting the development of the Ministry of Justice's accommodation strategy. Homeless Link is committed to continue working with Government and our members to secure a sustainable future for these vital services.