

Sheltered Housing Supported Housing Funding Consultation:

Housing LIN / National Care Forum Joint Workshop

Morgan Hunt offices, 125 London Wall, London, 10th January 2018

Discussion Highlights / Key Points

For ease of reference, these notes are structured in relation to the key questions in the Government's consultation document, as was the event itself. The questions are shown in italics.

Question 1: Definitions

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?

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?

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?

- Widespread view that term 'sheltered housing' is an anachronism and that we should move away from this terminology –the term 'retirement housing' may be more appropriate.
- Concern that in many cases 'sheltered housing' is now just a unit of accommodation designated for people over a certain age, with a social alarm attached – i.e. all that is actually available in general needs accommodation. View expressed that for the purpose of this consultation, 'sheltered' should imply that actual support is included. Should there be a minimum menu of the kind of support that should be provided?
- Could sheltered housing be defined by outcomes? Who would monitor the outcomes?
- Consensus in the room that there should be at least two bands – one for 'extra care housing', i.e. with 24-hour care on site; and another covering 'sheltered' or general retirement housing.
- This attempt at defining older people's housing may be helpful in enabling commissioners and planners to understand what the key terms mean, and informing a more uniform interpretation across the country – thus supporting developers / providers who are currently having to respond to a 'postcode lottery' of individual local authorities' definitions and interpretations of commissioning and planning requirements.
- However, conversely, concerns were raised that attempts to fix these definitions may inadvertently stifle innovation. An example was given of providers with a vision of stimulating mixed or intergenerational communities and responding to the changing health and care needs of local people, regardless of age. Indeed, one provider suggested that age is likely to become an increasingly arbitrary definition, and that in the future, so-called 'older people' may be less likely to want to live only with people of their own broad age group.
- Conclusion: any 'sheltered' eligible rent band should be kept as broad as possible, so as not to discourage innovation, with an age specification, but allowing for exceptions.

Question 2: Funding Model

Housing costs for sheltered and extra care housing will continue to be funded through the welfare system. To meet the Government's objectives of ensuring greater oversight and value for money, DCLG are introducing a 'Sheltered Rent' to cover rent inclusive of eligible service charges.

How should the detailed elements of this approach be designed to maximise providers' ability to commit to future supply?

- Concerns were expressed that formula rent level may serve as a restriction on future supply, if not based on the true cost. The rent level should take account of the costs of development. It was suggested that this should be set at 'affordable' rent levels (not 'social rent').
- If rents are not set at the right level, this poses the perverse risk in the future that there may be newer supply of older people's housing with an improved specification, but set at a lower rent level (because the new 'sheltered rent' will only apply to 'new supply', and many existing sheltered housing units are ageing and not built to modern specifications).
- Suggestion that new rent bands should recognise local factors such as the cost of building in different localities, and locality based specifications for older people's housing (where these may lead to a higher or lower specification and therefore cost).
- Proposal that it would be useful to have some national direction around space standards / communal areas / parking and other areas of specification, which may minimise these local differences and therefore variation in costs.
- Any new rent levels must reflect the extra costs that go into older people's housing schemes – particularly communal space, which is an essential aspect of older people's housing.
- A definition of 'intensive housing management' would be useful and would clarify many areas of uncertainty in terms of what can, and cannot, be covered within eligible service charges.

Question 3: Service Charges

Under Sheltered Rent, rent controls for sheltered and extra care housing will apply to gross eligible rent, which is inclusive of eligible service charges, through the social rent setting system. Eligible service charges are those that are eligible under welfare rules. DCLG are keen to make appropriate allowance for eligible service charges within Sheltered Rent that fairly reflects the costs of this provision, whilst protecting the taxpayer.

What are the key principles and factors that drive the setting of service charges (both eligible and ineligible)?

What drives variations?

- Variation can be very geographic. This should be taken into account.
- Design of the building plays a strong part (i.e. the specification of the building).
- At the moment, many LAs have local specifications covering what they expect to see in an older people's specialist housing scheme. These can drive cost variations.
- Will staffing costs fall within eligible service charges? (Another key driver of variation).
- Attendees questioned how 'forward focused' the proposed formula for 'sheltered rent' is, and equally, the plans for eligible service charges.

Question 4: Service Charges - Continued

DCLG are interested in understanding more about the potential use of a banded approach to reflect variety of provision across the sector.

How do you think this might work for sheltered and extra care housing?

- Most people in the room agreed that banding makes sense – with a further breakdown of categories. As above, there should be at least two bands – one covering 'sheltered housing' (or general retirement housing), and one covering 'extra care housing'.

- There was considerable discussion about the extent to which age is likely to be perceived as a useful category within which to organise specialist housing schemes in the future, and if so, what the definition of 'older people' will be.
- On the one hand, some providers describe the evolution of their offer as moving away from being based on age, and focusing on a person-centred approach with individuals (regardless of age) within a congregate setting, which is beneficial for all. On the other, participants pointed out that most people's understanding of the definition of an 'old' person is getting much older (particularly in wealthier areas where life expectancy is better) – with the average age of new residents in older people's housing schemes being, in many cases, 80+.
- Therefore, a simple banded approach risks impeding natural evolution and valuable innovation if the description of each band is too narrow and specific.

Questions 7 and 8: Planning and Oversight

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?

Do you have any other views or comments on the National Statement of Expectation or suggestions for more detailed guidance which may be needed?

- Much in the statement of expectation has been left open and ambiguous – for example, will local authorities be expected to self-determine how to assess local need for supported housing, including for older people's supported housing? To what extent will more detailed guidance be issued on this?
- There are key questions about local authorities' capacity to undertake this strategic commissioning and assessment role, and the costs of these new requirements, especially given the resource constraints which already exist within local authorities (and which are expected to become even more pressured in the coming years). More funding at a local level is needed to enable councils to implement this requirement effectively.
- Positives include the potential opportunities to look more creatively about the meaning and application of 'local connection', across a wider geographical area than is currently generally applied, and to work more strategically on these issues across boundaries.
- Also, opportunity to enable more uniformity around 'need', thus reducing postcode lotteries and clarifying the planning / costing of schemes for commissioners, planners and developers.
- What other resources can be drawn into the local strategic plans? – this opportunity may help facilitate more (for example) public land being included in the plan, and alignment with Local Plans being developed by Council planning teams.
- Further guidance needs to support the process of developing and sharing good practice.

Questions 9 – 10: Implementation

Government has moved the implementation of the reform on sheltered and extra care accommodation to April 2020. How will you prepare for implementation in 2020, and what can the Government do to facilitate this?

Deferred implementation will allow for additional preparatory measures. What suggestions do you have for testing Sheltered Rent?

- Suggestion that the Government should work with the big providers to test out what they need to provide certainty in terms of future supply. The Housing LIN and NCF can also support.
- There is a risk that much of the energy around implementation will focus on short term issues and priorities, and some of the big strategic opportunities may not be built on / capitalised.

Questions 11-12: Commissioning

How are support services predominantly in sheltered / extra care accommodation commissioned in your organisation / local area?

The Government believes the sector can play an important role in driving forward improvements in outcomes and value for money, for instance through joint commissioning and sharing of best practice. What role can the sector play in driving these improvements forward?

- The sector can play an important role in promoting and showcasing new models of supported housing. Providers already play a key role in advocating for older people's housing and ensuring new models come to the fore. The Housing LIN and NCF can also support this.

Question 13: Further Comments and Questions

- Overall, attendees agreed that the dropping of the LHA proposals should be welcomed and that in comparison, the direction of travel signalled by the Government should be encouraged.
- However, attendees felt there is significant detail missing in the consultation documentation, and that the 'blight' on older people's supported housing is still not fully lifted, because many commissioners, investors and providers will continue to be reluctant to proceed with new developments until detail on rent levels is confirmed.
- The Government's vision does not look at innovation, including intergenerational models, for example. There needs to be scope for flexibility in developing new models.
- Overall, many attendees found it difficult to see how these new proposals are likely to encourage new supply (although it is straightforward to see how they will help control cost, which is the other key Government objective).
- Clarity is needed about some key issues including:
 - What exactly is meant by 'new supply'? Will this be building based, or might reviews of service charges in particular schemes, or even arrival of new individual tenants, signal a shift to the new eligible rent levels?
 - How fluid are the boundaries between the three broad categories of supported housing? There may be significant overlap - e.g. between extra care schemes within which a significant proportion of residents are of working age (where overlap with the 'long term' category might be identified); or between ostensibly short-term schemes for homeless or disabled residents (for example) where people are often staying for 2 years + (again one could argue the scheme should be categorised as 'long term').
 - Who / which authority will be the arbiter as to which category of supported housing a particular scheme should fall into?
 - How will universal credit apply for people of working age in extra care housing? Will it apply at all, or will there be exemptions?
 - Will older people's supported housing providers who are not registered housing providers sit outside of regulation?
 - How can top tier councils develop a strategic plan for older people's housing, when they may have no oversight over most of these services, and may also be investing little / no funding into this type of provision directly?