

Supported Housing Consultation Response by Support Solutions UK Ltd

This organisational response is written by Michael Patterson, Partner (Research & Communications) at Support Solutions UK. Our organisational contact details are at the foot of the page and Michael Patterson can be contacted directly on 07866335544 or michael@supportsolutions.co.uk.

Our response addresses all of the questions except for Question 6, which is for local authority respondents.

We consider Question 12 primarily in the context of England and to the extent that we are qualified to comment on Scotland and Wales we do so in the context of the devolution agenda.

Context

We have framed our response in a wider context than many. We see the proposed new funding mechanism for supported housing as a necessary first step in the structural reforms required to deal with what is known as the “underfunding of social care” and also to deal with pressure on the NHS.

We have identified a wider, deeper model of what we currently call “supported housing”. We call this new model “[Community Sustainment](#)”. It is based on the assumption that the existing segmented and cost-based commissioning model for housing, support, social and healthcare is failing and needs both new structures and new values. It needs reinvention, not an overhaul.

The new structures, in England, would (over time) become regionally organised and unified commissioning of *everything from Intensive Housing Management up to and including some healthcare* from a single, pooled prevention fund. This would begin with the devolution of £2.12bn in 2019/20 and would progressively absorb social care, criminal justice, supporting people, public health and some healthcare funding. Community Sustainment providers would be funded to provide these services based on the generation of value, defined as:

- Outcomes for people
- Cost-benefit to the public purse
- Wider community benefit



We see this Consultation as the beginning a journey; its first step being the creation of a new funding mechanism for “supported housing”. Supported housing needs a much wider, deeper role; it needs to be [Community Sustainment](#).

I Fair access to funding, the detailed design of the ring-fence and whether other protections are needed for particular client groups to ensure appropriate access to funding, including for those without existing statutory duties.

Q1, The local top-up will be devolved to local authorities. Who should hold the funding; and in two-tier areas, should the upper tier hold the funding?

The devolved funding will be ring-fenced, which is important. Who actually holds it is less important than the basis upon which it is held. That basis is that from 2019/20 there should be no change in the use of this money and no lifting of the ring-fence until there has been sufficient progress on the health and social care integration agenda, the shaping and scoping of the new Community Sustainment “mixed social market” on an increasingly regional basis, and an audit of the overhead costs of statutory sector commissioning infrastructure.

The devolved funding should on no account be split between different statutory agencies or different parts of the same statutory agency. It should be held and used (for its current purposes) “in trust” pending the structural and cultural changes that will occur in the coming years up to and beyond 2019/20. It should not be used to support the costs of a failing system.

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 design of the funding model has to accommodate value generation as its key principle. This needs to be supported by new, independently developed and verified (national) frameworks of expectation, accreditation, value generation and measurement. We refer to these in more detail later.



"*Planning and commissioning across service boundaries*" would be more effective if there were no "*service boundaries*" within the parameters of [Community Sustainment](#) (everything from Intensive Housing Management up to and including some healthcare). There should not be "*different local commissioning bodies*" for too much longer either, there should be increasingly regionally organised and unified commissioning with no distinction between the NHS (in the context of Community Sustainment), Social Care, Supporting People, Criminal Justice and Public Health.

The funding model should anticipate the pooling of the devolved funding post 2019/20 together, and over time ([see our timeline](#)) with other existing funding and the receipts from the structural reform of the statutory sector and an adapted form of the Social Levy proposed by Norman Lamb MP.

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

We believe the UK Government is correct to see the devolved funding as needing to be pooled rather than "*breaking down funding between different client groups*". Funding for prevention should accommodate the totality of a person's need. It should not be necessary for a provider to have to go to different commissioners to meet the multiple needs a single person. Subject to structural reform of the statutory sector, in the future supported housing/Community Sustainment providers should be able to provide everything from Intensive Housing Management up to and including some healthcare from a single pooled fund disbursed by a regionally organised, unified commissioning infrastructure in England.

It is essential to ensure that the needs of ALL people with additional needs are met, especially those who traditionally fall through gaps in service provision and those who have especially challenging needs. If we focus on the generation of value (**outcomes for people, cost-benefit to the public purse and wider community benefit**) as the key principle for the new funding mechanism then the greatest need receives greatest priority because meeting the greatest need generates the greatest value.

Q4. Do you think other funding protections for vulnerable groups, beyond the ring-fence, are needed to provide fair access to 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)?

We don't think that "statutory duty" is a useful definition going forward. We think that expecting local authorities to accept additional statutory duties when they routinely fail to fulfill existing ones is problematic. It has become a relative term based on resources; the eligibility bar for a statutory service is being increasingly raised in relation to perceived funding cuts. It's not about the meeting of need so much as the management of money. Lord Porter, Chair of the LGA has already dismissed the idea of additional statutory duties for local authorities. We believe that the restructuring of the statutory sector and the development of [Community Sustainment](#) model as an alternative to statutory provision would enable higher levels of need to be met whilst generating much more value (as defined above).

We believe that local authorities and their statutory partners should focus on the health, social care and wider integration agenda from 2019/20, whilst the ring fence on funding remains. They should collectively work with supported housing/Community Sustainment providers to scope out strategic priorities for everything from Intensive Housing Management up to and including some healthcare in the context of an increasingly unified and regionalised commissioning infrastructure. The Greater Manchester Combined Authority can be a useful Pilot to this end assuming it uses Community Sustainment principles.

All value generation, accreditation, outcomes measurement and other processes for Community Sustainment must be externally developed and verified, preferably by appropriately experienced academic departments in Universities.

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

Q5. What expectations should there be for local roles and responsibilities? What planning, commissioning and partnership and monitoring arrangements might be necessary, both nationally and locally?



There is a health and social care integration agenda underway in England as well as a move to increasingly regionalised administration. In looking at “planning, commissioning and partnership arrangements” we should bear in mind this wider agenda and move in its direction. The Scottish Government has enacted the Public Bodies (Scotland) Act 2014 that unifies health and social work commissioning at local level. The agenda in England needs to be regional with wider commissioning interests and a pooled budget.

“Supported housing” has historically been a victim of its own description when trying to take its place with commissioners, especially the NHS. It’s so much more than “supported housing”, it routinely does more than it’s funded to do and could do so much more if it was funded to do so. Whether it’s called “supported housing” or Community Sustainment it should be central to the local/regional planning of the new funding model and the new funding model should be seen as the first step in a much longer, wider, deeper journey.

The “commissioning interests” that should be involved in planning with the supported housing/Community Sustainment sector are the relevant parts of the NHS, local authority Social Care and Supporting People, Criminal Justice and Public Health because the logical future direction is for their budgets to be pooled for Community Sustainment purposes.

Monitoring arrangements should be nationally consistent across England. “Monitoring” is a wide term and should include frameworks and processes for accreditation of (Community Sustainment) providers. The methodology for the generation of value¹, outcomes measurement and other monitoring systems should be externally developed and verified, preferably by appropriately experienced Universities according to a set of agreed structures and values such as those that underpin Community Sustainment.

As an aside, we think that the methodology for informing the allocation of the devolved funding at local level should also be externally developed and verified.

¹ Outcomes for people; cost-benefit to the public purse; wider community benefit.

National consistency with some scope for regional variation is essential if we are to tackle the postcode lottery that exists in England. Unfortunately the LHA Cap reinforces the postcode lottery given the variable and inconsistent LHA levels from one local authority to another. This will have an impact on the devolved funding at local level, which has to pick up the additional costs of supported housing over and above LHA levels.

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

We are not a local authority so are not responding to this question in our Consultation response.

III Confirming what further arrangements there should be to provide oversight and assurance for Government and taxpayers around ensuring value for money and quality outcomes focused services.

Q7. We welcome your views on what features the new model should include to provide greater oversight and assurance to tax payers that supported housing services are providing value for money, are of good quality and are delivering outcomes for individuals and tenants?

These reforms in the words of the Consultation document are "*the first step*" in ensuring that "*services are as good as they can be*". There is a much deeper, wider journey to follow.

The current system for funding "social care" (everything from Intensive Housing Management up to and including some healthcare) is dysfunctional at best and on the brink of collapse at worst. It is part of the "underfunding of social care", not the solution to it. It has to change.

The new funding model gives us an opportunity for transformation and it requires new values. The first of which should be the generation of value:

- Outcomes for people (with additional needs)
- Cost-benefit to the public purse
- Wider community benefit



Value generation can only be achieved when commissioning is unified and not conducted on the basis of the management of cost.

Within the context of investment in prevention and enablement, which is what "supported housing" (or [Community Sustainment](#), in its enhanced form) does. Value generation manages cost anyway. Fewer people require access to healthcare for example.

As previously mentioned, the processes and systems associated with the generation of value such as accreditation, the value generation framework/methodology, the measurement of outcomes must be externally developed and verified and be nationally consistent across England.

IV Exploring the appropriate balance between local flexibility and provider certainty, including what other assurance can be provided beyond the ring-fence, for developers and investors to ensure a pipeline of new supply.

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

Certainty to both providers and developers of new supply can be achieved through certainty about revenue.

The UK Government should be clear about the fact that the future funding model has to meet the additional costs of private capital development and much more besides. The introduction of private (Pension Fund) capital to replace public capital to develop new supported housing, in particular Specialised Supported Housing, means an increased demand for revenue. £2.12bn pa across the UK won't be sufficient for this and for the meeting of otherwise unfunded housing and support needs, hence our focus on progressive pooling of revenue into Community Sustainment and the accompanying restructuring of the statutory sector.

Again consistent national, or at the very least, regional strategies should be developed in order to inform supported housing development programmes and costs (and their impact on the future funding model) of privately funded supported housing, much of which will be Specialised Supported Housing in its various possible



forms. Neither developers nor Community Sustainment providers should have to jump through different hoops in different areas or regions to achieve the same general outcomes in each.

Q9. Should there be a national statement of expectations or 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?

We are strongly of the view that externally verified frameworks and statements of expectation should be *national* in scope (in England) and should have scope for *regional* variation. We believe that unified NHS, Social Care, Supporting People, Criminal Justice and Public Health commissioning should occur at regional level in England and that 2019/20 should be seen as a preliminary step in the journey to merge infrastructure and to pool budgets regionally over a 10 year period from 2020. Our draft timeline is [here](#).

It is important that *no change* is made to existing funding arrangements until the new mechanisms and structures have sufficiently developed. This includes the retention of the ring-fence until the devolved funding can be pooled with other prevention funding on the basis of statutory sector restructuring.

Q10. The Government wants a smooth transition to the new funding arrangement on 1st April 2019. What transitional arrangements might be helpful in supporting the transition to the new regime?

There should be no change to funding arrangements for 2-3 years post 2019/20 and that timescale should be dependent on the progress of statutory sector restructuring. There must be no possibility that this funding can be used to support the overhead costs of the existing system.

This funding, together with other funding streams and the restructuring of the statutory sector, should be used to facilitate the evolution of "supported housing" into Community Sustainment.

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?



The way that “social care” is funded and commissioned needs to be totally reinvented, not just overhauled. This is about more than just a “local top-up model”.

We need to see the devolution of the £2.12bn (UK wide) as being the 1st step in the design and implementation of a new system, which we call Community Sustainment, that is comprised of principles and approaches that the “supported housing” sector has always had the potential for. It’s about non-statutory Community Sustainment providers providing preventative, enabling services to people with additional needs across the range of need including everything from Intensive Housing Management up to and including some healthcare, including end of life care. It’s not just about housing and “tenants” any more. “Supported Housing” should become “Community Sustainment”.

In parallel the commissioning of health, Social Care, Supporting People, Criminal Justice and Public Health should be undertaken within increasingly regionalised commissioning bodies. The Greater Manchester Combined Authority is an example of a potential Pilot for this approach.

The devolved funding will need to be merged with existing NHS, Social Care, Supporting People, Criminal Justice and Public Health funding and the ring-fence should not be lifted on the devolved funding until it is being pooled with other revenue as a consequence of statutory sector restructuring and there is no motivation or need to offset the costs of the current system.

The Social Levy proposed by Norman Lamb could be a significant pump-priming boost to the Community Sustainment agenda. It could only be levied as a tax when taxpayers are clear where the costs are within the current system that presides over the “underfunding of social care”. The perception is that too much is spent on the costs of the system and too little on the delivery of services. That perception should be tested by an external developed and verified audit of the costs of the statutory sector.

In parallel with structural reorganisation of the statutory sector there needs to be the independent development and verification of new national accreditation, value-generation, outcomes measurement processes based on unified commissioning instead of segmented commissioning, a focus on the generation of value instead of the management of cost. These systems and processes



should allow Community Sustainment providers to provide a continuum of services without top-heavy micro management of “outcomes”.

There should be no change to the funding of “supported housing” until it becomes Community Sustainment. In the meantime, pretty much everything else about the system should change.

The UK Government needs to be mindful that the additional costs of “supported housing” over and above the LHA rate will be significantly more than £2.12bn even before the Community Sustainment agenda can begin. It has to include the revenue costs of private capital to develop the Specialised Supported Housing that the UK Government wants, unless the NHS pays it of course, which in some cases it will.

There has to be some equalisation of the impact of variable LHA rates across different areas, especially where they bear insufficient relationship to local/regional socio-economic factors. If this isn’t done, preferably regionally in England, there will be an additional impact on the devolved funding mechanism.

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

Q12. We welcome your views on how emergency and short-term accommodation should be defined and how funding should be provided outside Universal Credit. How should funding be provided for tenants in these situations?

We think that people in any type of supported housing should have their Universal Credit paid to their landlord or Community Sustainment provider as the default position. When both parties, subject to an assessment of money management need or ability, agree that a different arrangement should persist then that should be possible too.

We think the use of the term “short-term” services is anachronistic and we note that the Consultation invites our views on how such services should be defined. Putting a time limit on funding for additional need is about the management of a budget more than the meeting of need. The same can be said of “eligibility criteria” which are a byproduct of segmented commissioning and negative competition between different budget holders to NOT fund services.



In Community Sustainment terms there are no “short-term” or “long-term” services, no separate funding or commissioning infrastructure, no cost-based commissioning. There is a single, regionally unified Investment Fund for Community Sustainment comprised of NHS, Social Care, Supporting People, Criminal Justice and Public Health funding; money freed up over time by statutory sector restructuring, capital receipts from the sale of some NHS estate and Norman Lamb’s Social Levy.

There are, however, situations when people require immediate/emergency access to a service, whether such people have so-called “short-term” or longer-term needs. Community Sustainment providers should offer everything from Intensive Housing Management up to and including some healthcare whether it is presented as an immediate/emergency need or whether it’s a planned delivery of services. We should make no funding distinction; we should focus on the generation of value.

This final question applies to Scotland and Wales as well as England. Within our response we have identified a solution for England going forward. We work widely in Scotland and Wales as well and are mindful of the fact and nature of devolved powers. We have identified the Scottish Government’s “Public Bodies (Scotland) Act 2014” as an example of unified commissioning infrastructure. The Scottish Government will have the basis to develop its own welfare system going forward and we believe the logical thing for the UK Government to do, on behalf of England, is to agree with the Scottish and Welsh Governments on a fair and equitable basis to divide the £2.12bn between England, Scotland and Wales. Housing Benefit, from which this funding comes, will not exist from 2019 and presumably the legacy funding will not have the status of a UK Government reserved power or function.



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