

## **Thames Reach's response to the consultation on the future funding of short-term supported housing**

### **Thames Reach**

Thames Reach is a London-based organisation which works with around 7,000 individuals every year. Our focus is on people who have a history of homelessness and particularly those requiring a high level of support. Our services also assist people with a variety of needs associated with homelessness including alcohol, drug and mental health issues.

Thames Reach manages a range of accommodation including hostels, small-scale shared housing and specialist accommodation for people with mental health issues, substance misuse dependency and a background of offending. Almost all of Thames Reach's supported housing fits within the proposed definition of short-term supported housing.

We are a managing agent and do not own the properties we manage, although will be taking into ownership a hostel which we currently manage during 2018. We have been successful in attracting capital funding to upgrade or re-provision our hostels over the last few years, including funding via the government's Homelessness Change programme.

### **Summary of the Thames Reach response**

Thames Reach strongly supports the principle of the funding model for short-term supported housing being in the form of a single funding stream covering housing costs distributed at a local level in the form of a block grant, so moving the funding of short-term housing to outside the welfare system.

We believe that this will lead to a significant reduction in transactional costs and enable us to focus more effectively on preparing our service users to take the necessary steps towards greater independence. Eviction through rent arrears is a primary cause of eviction for tenants and residents of supported housing and removing this risk provides enormous opportunities to work creatively with people to prepare them for a successful transition to longer term accommodation.

We also believe that the move to grant funding administered by local authorities could lead to more individuals who have difficulties registering a claim for housing benefit to be provided with short-term accommodation and as these are often the people most vulnerable and at risk, this could be a very advantageous development.

We are also excited by the prospect of helping more people find employment whilst staying in short-term supported accommodation whose aspirations are currently restricted because of the high rent levels in much supported housing.

We welcome the overall approach of the policy statement which recognises the value of supported housing and its diversity and the need to ensure that supported accommodation should be subject to robust, collaborative local planning, oversight and assessment of need.

Easily our biggest misgiving concerning the proposed approach is the inadequacy of a ring-fence. Given the history of the ring-fence linked to Supporting People funding which, once removed, led to a substantial loss of funding for services for people with support needs but without statutory protection, we believe that unless stronger protection can be put in place for the funding of short-term supported housing, the same situation will arise and the supported housing sector could be irreparably damaged as a result.

We would therefore urge the government to give statutory protection to the funding of short-term supported housing or, if this isn't possible, to ensure that the funding remains as central government funding with local authorities given the responsibility to administer it. This will give providers, local authorities and lenders the confidence to plan strategically for the long-term development of supported housing based on need.

**Question 1: Do you agree with the proposed definition?**

We regard the proposed definition to be appropriate and sensible. The two-year time frame is reasonable in terms of preparing people to move on into longer term accommodation and we are assuming that, working with local authority partners, exceptions can be made where there are specific circumstances which require a person to stay longer.

It is our experience that there is a tendency for people to stay too long in some short-term accommodation, particularly temporary hostel accommodation, so the two-year threshold can act as a spur to ensure that there is a strong focus on helping people move through and onwards in a timely manner.

The new funding model will encourage more flexibility and risk-taking in working with complex and challenging individuals, some of whom may initially enter accommodation for very short periods, exit and then return before eventually settling after a number of attempts. The separation of housing costs from the welfare benefit system means we will not have to rely on income based solely on occupancy levels and rent collection which discourages taking chances with people who have chaotic lifestyles and find it hard to settle.

We would be opposed to any change that reduced the period in which the short-term definition applied, for example to three months, when the individual would then be expected to apply for Universal Credit. This would defeat one of the main gains that we envisage arising through this proposed funding model – the reduction in transactional costs, arising from having to chase down rental and service charge and housing benefit payments which takes up significant administrative resources. There is also a danger that for the residents who have found it the most challenging to settle, the point of transition from moving from not paying rent to claiming Universal Credit could be unsettling and we envisage a high level of abandonments at this early stage.

However, we are confident that the supported housing sector can develop additional ways of helping residents improve their financial management skills, building on initiatives and approaches already in place. It should not be the case that, because residents will no longer have the discipline of paying rent, that they will not have appropriate financial management skills at the point of moving on from short-term accommodation.

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

The supported housing sector has, in its recent past, experienced a ring-fence being agreed and then removed with respect to the Supporting People budget. This has led to the gradually whittling away of services for people with support needs who do not meet the statutory threshold for support and it is therefore no surprise that the limitations of a commitment to a ring-fence for supported housing funding is a paramount concern.

We believe that the approach most likely to gain the support of the sector and provide the necessary long-term financial security to attract funding for new supported housing and placate current investors is for the government to place the funding of short-term supported housing on a statutory footing.

We would also want to see enshrined in the model clarification that the funding is to cover rents and applicable service charges. Such an approach would be sensibly building on models in place that identify what is eligible under Housing Benefit rules and what is ineligible. This would offer essential confirmation that the grant is an alternative means of covering rents and eligible service charges and it should have formulaic annual increases build in, as is the case with rents.

The funding should be in place permanently, subject to appropriate standards being achieved which can be set using quality measures approved by the Homes and Communities Agency (HCA), responding to the requirements set out in the National Statement of Expectation. It would obviously be necessary for what is currently non-commissioned, exempt supported accommodation to achieve the required standards and we would expect improvements in levels of access, quality standards and value for money as a result.

**Question 3b: Do the authorities you work with involve you in drawing up such plans?**

Whilst the level of engagement varies from borough to borough, we work closely and constructively with our local authority partners in London and with the Greater London Authority (GLA) and are able to comment on, and influence, their strategies and policies. We have been in contact with local authority partners concerning this consultation and have also discussed our approach with the London Mayor's No Nights Sleeping Rough Task Force which focuses on reducing rough sleeping and which Thames Reach's Chief Executive is a member of.

**Question 3c: How would the supported housing plan fit with other plans and strategies?**

We are entering a period when the necessity for joint commissioning on a local, sub-regional and regional basis and across housing and health has never been greater. It is

therefore essential that the supported housing plan is fully integrated with other strategies and plans, particularly as in order to ensure that people with support needs are effectively supported, long-term revenue funding must be available to avoid people returning to short-term accommodation which, apart from the moral imperative to avoid this backward step, creates inefficiencies and additional costs.

We particularly note and support the requirement that the National Statement of Expectation should lead to an integration of the supported housing plan with each local authority's five-year homelessness prevention strategy. In London, the range of supported housing provided by local authorities varies greatly and it is by no means the case that those local authorities with the highest level of need are providing the most supported accommodation in response. The requirement for local authorities to undertake a thorough assessment of need on a collaborative basis is therefore greatly welcomed.

**Question 4b: Could you provide local government with a detailed assessment of demand and provision if you were asked to do so?**

Thames Reach works with a great range of homeless and vulnerable people and we would be able to make a full contribution to any assessment of demand for provision. We would undertake this in conjunction with local authority partners, the GLA and Homeless Link, of which we are a member.

**Question 4c: Is the needs assessment as described in the National Statement of Expectation achievable?**

We believe it to be both deliverable and essential in order to establish a baseline of need to a depth that we have not so far achieved at a national level and, following this, we would expect to see services shape and adjust in response to evidenced and changing need.

**Question 5: Do you agree that the grant should be provided to upper tier authorities in two-tier local authority areas?**

As Thames Reach works in London where a two-tier arrangement does not apply we are not responding to this question.

**Question 6: What are your views on the draft National Statement of Expectation?**

The National Statement of Expectation is both clear and helpful. We reiterate our view that it is essential that the long-term funding of short-term supported housing is guaranteed by replacing a commitment to ring-fence the budget with, preferably, a statutory funding arrangement or by retaining the funding at a national level with an annual increase commensurate to the type of rental and service charge uplift that would be expected under the current system of funding.

We would also like to see a commitment included that those groups without statutory protection do not lose out as a result of changes to the funding model and that there is an active, demonstrable commitment to ensuring that 'less popular' groups, for example, offenders, travellers, rough sleepers and people with substance dependency issues can continue to access supported housing, even in circumstances where they do not

have a local connection. This could be done by asking local authorities to specifically report on how they are addressing the needs of certain cohorts within the wider supported housing population.

**Question 7: Do you currently have arrangements in place on providing for those with no local connection?**

We work across local authorities in London and there is some flexibility in most boroughs for taking people without a local connection though this is usually agreed on a reciprocal basis which, in our experience, usually only follows after a time-consuming negotiation brokered by Thames Reach. It would be beneficial to increase the flexibility around accepting people without a local connection, though we are mindful of the need to ensure that people are appropriately provided with a safe connection back to their family and friends in their home area wherever this is possible.

**Question 8: How can we help local authorities to commission both accommodation and associated support costs in a more aligned and strategic way?**

The supported housing plan should act as a catalyst for pooling budgets and joint commissioning, not simply across local authority-commissioned housing and support but more widely, embracing other funding streams managed, for example, by Clinical Commissioning Groups (CCGs) and social care.

**Questions 9 and 10: How will you prepare for implementation in 2020, what can government do to facilitate this and what suggestions do you have for testing or piloting the funding model?**

We will work closely with local authority partners, the GLA, Homeless Link and the London Supported Housing Forum to ensure that the funding requirement is set appropriately and a thorough assessment of need is fully undertaken. Should London, or a London sub-region where we are active be selected as a pilot area, we will contribute fully to delivering a successful pilot.

**Question 11: Any further comments?**

We regard this proposal to fund short-term supported housing through locally administered grant as providing an excellent opportunity to transform more lives by helping people plan and move to longer term settled accommodation without precious staff time being consumed by the burdensome transactional activities that impede the current system.

However, there is a major stumbling block in place; the inadequacy of the long-term funding commitment offered by the ring-fence and unless this can be tackled, we fear that the excellent intentions underpinning the proposed model for funding short-term supported housing will not deliver the objectives set out through the National Statement of Expectation.