



WRITTEN EVIDENCE: A SUBMISSION BY THE HOUSING LEARNING AND IMPROVEMENT NETWORK (LIN) TO THE DCLG / DWP 'FUNDING SUPPORTED HOUSING' CONSULTATION – EXTRA CARE AND SHELTERED HOUSING

23 January 2018

About the Housing LIN

The Housing LIN (Learning and Improvement Network) is a sophisticated peer-to-peer network bringing together over 40,000 housing, health and social care professionals to exemplify innovative housing solutions for an ageing population, and to meet the needs and aspirations of disabled people, of all ages. It is a signatory of the pioneering Health and Housing Memorandum of Understanding¹.

The Housing LIN is recognised by industry as the sector leading 'knowledge hub' on specialist housing. Its founder and director is also the author of several of the HAPPI reports referred to in our submission. Furthermore, the Housing LIN's online and regional networked activities:

- Connect people, ideas and resources to inform and improve the range of housing choices that enable older and disabled people to live independently
- Share thought-leadership, learning and intelligence on latest funding, research, policy and innovate developments to spread practice faster
- Engage with industry to raise the profile of specialist housing with developers, commissioners and providers to plan, design and deliver aspirational housing for an ageing population, and for people with physical and learning disabilities

For more information on the work of the Housing LIN, visit:

<http://www.housinglin.org.uk>.

CONSULTATION RESPONSES

This document will address each of the Government's questions in turn. Each of the questions is reproduced in bold font, with the Housing LIN's response following.

Question 1: We would welcome your views on the following:

- a) **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?**

Overall, the Housing LIN considers that the term 'sheltered housing' is becoming something of an anachronism; a better term for this type of purpose-built housing

¹ <http://www.housinglin.org.uk/Topics/type/Pioneering-Health-and-Housing-Memorandum-of-Understanding/>

might be 'general retirement housing'. Some operators would also use the term 'retirement housing' or 'independent living' for this sort of housing.

'General retirement housing' – roughly equivalent to the Government's use of the term 'sheltered housing' - would typically be age-restricted to people aged over 55, or 60, and would typically offer certain key features, i.e.:

- 24-hour emergency help (alarm system)
- Warden / support staff present or available at least some of the time
- Some communal facilities, i.e. lounge, laundry, garden
- In some schemes, rooms available for outreach services

In addition to the alarm system, many providers are moving towards using more sophisticated forms of digital technology for building management purposes, such as help with maintenance issues, for securing access to the building, and to support housing management tasks that enable older and vulnerable adults to live independently.

Increasingly, many general retirement and traditional sheltered housing schemes have been used to provide long term accommodation for tenants (including younger people) with complex needs, who may formerly have been homeless, or experienced drug or alcohol difficulties or other challenges which have created a need for supported housing.

Some larger 'retirement living' villages share many of the features of traditional sheltered housing, but may offer an additional range of amenities – for example, a bar, restaurant, leisure facilities, and / or more extensive grounds.

b) 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?

The Housing LIN is a champion of extra care housing and has produced a sector leading factsheet, 'Extra Care Housing: What is it?'. This can be found at: <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/what-is-extra-care/>.

Extra Care Housing would also usually be age-restricted – or at least, focused on older people (though again, some working age people may be supported in such settings as well). They would offer many of the amenities also provided in sheltered housing, but in addition, 24/7 care and support on site would be provided. A greater proportion of extra care schemes (but not all) have an onsite restaurant / café, and some – particularly larger 'extra care villages' – may offer many other services such as a gym, hairdresser, 'wellbeing' services, exercise classes, arts and crafts, and much more. Again, a range of terms are used to describe very similar types of accommodation offer, including 'Flexi Care', 'Assisted Living' – and even, in some rarer cases, 'very sheltered housing'.

c) 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?

The Housing LIN would suggest that this attempt at defining older people's housing may have some benefits in enabling commissioners and planners to clarify what the key terms mean, and informing a more uniform interpretation across the country – thus supporting developers / providers who are currently, in the view of some, having to respond to a 'postcode lottery' of individual local authorities' definitions and interpretations of commissioning and planning requirements.

At the same time, in relation to all types of older people's housing, in attempting to define it in terms of the age of the people living in the accommodation, it would be important not to unwittingly limit innovation and providers' attempts to respond to evolving needs and changing expectations of older people, and indeed all potential future residents.

For example, some providers of 'extra care' housing are moving away from focusing solely on age as a key defining factor, but are instead welcoming a greater number of younger people – such as those under the age of 65 with learning disabilities, or long-term health / mobility needs. In some locations, these younger residents comprise more than just a small minority, as implied by the Government's Policy Statement, but may form a significant contingent living within the scheme. This may be the most cost-effective, impactful, and indeed transformational use of a particular scheme in some localities and communities. In these cases, where a housing scheme has become genuinely multi-generational, even if its roots are in older people's housing, it is suggested that it may be more appropriate to define such schemes as 'long term supported housing' for the purposes of these proposals.

In recent years, the All Party Parliamentary Group on Housing and Care for Older People has championed the HAPPI design principles. These are not extra care housing specific but comprise a set of 10 broader 'age-friendly' design criteria for an ageing population that can be applied across mainstream and non-mainstream (specialist) housing. More information on HAPPI can be found at:

<https://www.housinglin.org.uk/Topics/browse/Design-building/HAPPI/>

The Housing LIN would support the introduction of two rent bands, referencing the two broad types of older people's housing – i.e. general retirement housing, and extra care housing – with both 'bands' being kept relatively broad, in recognition that 'older people's housing' encompasses more than just one model. This would allow some flexibility to allow for the inevitable variation in the housing and associated revenue costs of running these two types of service (see below).

Question 2: 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, we 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 your ability to commit to future supply?'

The Housing LIN very much welcomes and supports the proposal to continue to meet these revenue costs through the welfare system and the objective to maximise future supply of such housing, which has to a large extent been put 'on hold' these last two years due to uncertainty on future funding models. We have noted that this has particularly had an impact on the Department of Health's capital programme, the Care and Support Specialised Housing Fund.

To enable an increase in future supply, the new 'Sheltered Rent' should aim to meet the true costs of new developments and their associated service charges. The Housing LIN believes that the sector would be willing to work with the Government and the Regulator to examine such 'true costs' and look to develop benchmarks on what are the reasonable and required costs for such services, possibly with some degree of regional variation. The Housing LIN is aware of a formula being developed by Anchor, Hanover and Housing 21, which appear to provide a reasonable approach².

It is important to be aware that there are also other issues affecting the affordability of all types of older people's housing, relating to other forms of support and care costs which are outside of the Housing Benefit arrangements, which are mostly commissioned by social care, and / or paid for privately by tenants and leaseholders. When considering the impact on tenants and leaseholders who self-fund, it is important to be aware of this wider context and any implications of the proposed new 'sheltered rent' levels on them.

The consultation does not clarify how future rent or service charge increases might be accommodated within the new sheltered rent. The Housing LIN suggests that this issue needs to be clarified in any forthcoming guidance.

The 'sheltered rent' should be defined in such a way to recognise that 'older people's housing' is not just one product, but that it has evolved to mean a range of models of delivery, scale, services and amenities. It is also an evolving sector, and, as described above, housing providers are beginning to adapt their models to meet the needs of local health and social care commissioners and partners and the population groups for whom they are planning (for example, in enabling people of working age, with disabilities and / or health needs, to live in some extra care housing settings; or using some housing units to accommodate people who are medically fit to be discharged from hospital, but whose own homes are not suitable for their recovery and rehabilitation, for a temporary period (usually up to around 6 weeks)).

There may also be a need to consider the implications for leaseholders, or people who have shared ownership of their home. If the rent and eligible service charge level for social tenants is set too low, there is a risk that there would need to be an element of cross-subsidy from leaseholders (i.e. their service charges might need to rise); or an additional charge may need to be levied on social housing tenants.

A formula for 'sheltered rent' needs to recognise that older people's housing needs to innovate and adapt if it is to be an attractive proposition to the next generation of

² Final joint submission on consultation on funding supported housing – Anchor, Hanover and Housing 21, 14 January 2018

older citizens. This requires that the focus is not overly focussed on 'capping' costs, and recognise that providers will need financial 'space' to properly cost elements of an older person's housing service that may be necessary (and may change over time) to ensure it remains appealing.

Question 3: We 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?

The Housing LIN would strongly support proposals to create at least two 'bands' in terms of rent and eligible service charges, for 'general retirement' and 'extra care' housing, for example.

Clearly, even within charges which are eligible under welfare rules, the level of amenities which are provided as part of the service will significantly affect the level of the 'eligible service charge', and these do vary between schemes. The level of the cap would need to reflect this and allow for this diversity. At the same time, some Housing LIN members have expressed the view that that may would be useful to have some national direction around such areas as space standards, communal areas, parking requirements and other areas of specification, which may minimise some of these local differences (hopefully without preventing innovation) and therefore unnecessary variation in costs.

Further to the reply to Question 2 above, service charges should meet the 'true cost' of those services which are required and reasonable, and the sector should work with the Government and the Regulator to establish benchmarks for charges, possibly with regional variations. It is suggested that this revised approach is still consistent with current practice and regulation, which does allow for eligible service charges to be justified and challenged before approval, with the additional protection of tenants having recourse to First Tier Tribunal if they consider a charge unreasonable.

Older people's housing is often more costly than other types of housing because:

- The costs of providing more intensive staffing levels, for example to deliver care and support.
- The need to deliver a more comprehensive repairs and maintenance service, if the scheme is subject to higher wear and tear.
- The additional costs of building in accessible and age-friendly design, for example, meeting HAPPI design principles, and reducing impact on neighbouring buildings and developments.
- The provision of a range of facilities and amenities within communal spaces which are a core part of the wider housing and community 'offer' - in some of the largest retirement 'villages', as much as 30% of the overall footprint is set aside for non-residential use.

Older people's housing schemes are variable in the extent to which such provision and amenities are provided or required, in their size and scale, and in staffing levels, and these variations contribute significantly towards variations in service charges.

Question 4: The Select Committee and a number of other sector representatives have suggested that we use a banded approach to reflect variety of provision across the sector. We are interested in understanding more about this. How do you think this might work for sheltered and extra care housing?

If the Government proceeds with the two categories of 'sheltered housing' (or 'general retirement housing') and 'extra care housing', this will be a positive approach, as this would acknowledge that 'older people's housing' encapsulates more than just one model, approach and level of amenity, and would provide some flexibility to allow for this variation.

Question 5: For providers, on what basis do you review eligible service charges? What drives changes?

The Housing LIN will defer comments on this to housing operators, who are better placed to respond to this question.

Question 6: Of your service charges, what percentage is paid by: - Welfare payments - through eligible service charge - Local authorities - for example, through supporting people - The tenant - Any other reflections

Again, the Housing LIN will defer comments on this to housing operators.

Question 7: Attached to the policy statement is a draft National Statement of Expectation. We would welcome your views on the Statement and suggestions for detailed guidance.

The Housing LIN welcomes the vision and key expectations set out in this document and agrees with the strategic approach described. However, it is suggested that the government should consider the administrative and resource implications for putting this vision into practice in local areas, especially at local government level. There will inevitably be additional burdens on local authorities and, in particular, on commissioners, as a consequence of putting this into practice. Without additional resources, this will prove extremely challenging for councils, and providers, to administrate effectively within the timescales required.

The Housing LIN is committed to providing local authorities, and their partners, locally and regionally, with access to information about best practice, developing design standards, policy and peer support as they take this agenda forward. As stated in the aforementioned Department of Health's Care and Support Specialised Housing Fund, the Housing LIN already provides knowledge and information exchange with access to a range of free online tools and resources. For example, we recently produced a report for the Local Government Association, 'Housing our Ageing Population: Learning from councils meeting the housing needs of our ageing population', that suggests that there is a significant undersupply of purpose-built

housing for older people and highlights the need for 400,000 new units of retirement housing by 2035. More at:

https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Reports/5.17-Housing-our-ageing-population_07_0.pdf

Widely recognised by government, the Housing LIN also has developed a modelling tool to help councils and their partners better predict the demand for older people's housing in their localities. More on 'Strategic Housing for Older People Analysis Tool' or SHOP@ can be found at:

<https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPAT/>. This could constitute, at least in part, the type of guidance that local authorities and their partners will require to implement the new strategic and funding model.

Armed with such market 'intelligence', the Housing LIN therefore supports the proposal that upper tier authorities should develop 5-year Strategic Plans for supported housing, as it is suggested that these are best placed to take a strategic overview and provide the required revenue funding for care and support costs for people with eligible needs. Such authorities are also better placed to consider using their own land and capital resources to help stimulate new supply, as might lower tier authorities as well. For these reasons it will be crucial for both tiers to work closely together on developing the Strategic Plan together with inclusion of older people, housing providers and other agencies such as the NHS.

The Housing LIN also supports the expectation to 'ensure fair access' to the often specialist services provided by supported housing, and suggests that in two tier areas the 'local connection' should prioritise those with district connection first but, secondly, be extended to those with a County connection under agreed circumstances. In order to further achieve fair access there should be a consistent approach adopted in each local Strategic Plan area which clarifies which needs will be met, how referrals and nominations are agreed and what options exist for move-on arrangements.

Going forward, the Housing LIN would observe that while the direction of travel set out within the Statement of Expectation is welcome, much of the detail remains to be clarified – 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? Further work will also be needed to identify how top tier local authorities can best develop a strategic plan for specialist older people's housing, albeit working closely with local partners including Districts and Boroughs, when – in many cases – they may have limited or no oversight or indeed investment in many of the local schemes in their locality. It is hoped that more detailed guidance on these issues, and others identified in the Housing LIN's response, will be issued, and the Housing LIN would welcome further opportunities to engage with members and with the Government in this thinking.

And finally, the Housing LIN also encourages Extra Care Housing operators to sign up to the relevant ARCO and ARHM consumer codes and charters.

Question 8: 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?

The Housing LIN works with and supports a significant number of local authorities and their partners to develop and implement plans to widen housing options and choices for older people across all tenures. Based on this experience, it is clear that strong local partnerships between local authorities, the NHS and with providers/developers are essential to maximise additional supply and to create an environment where integrated, attractive and innovative housing for older people can flourish. Such an approach, nationally, is exemplified by the aforementioned National Memorandum of Understanding³.

Question 9: 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?

The Housing LIN will be actively engaged in supporting our 40,000 members – including commissioners, providers, planners and providers/developers of older people’s housing – to prepare for implementation in 2020. We will do this through our role, recognised by government and industry, as a leading ‘knowledge hub’ on specialist housing, which helps older and disabled people to live independently. Our online and regional networked activities connect people, ideas and resources to inform and improve the range of housing choices. We provide market intelligence to our members, and back to government, on all the latest funding, research, policy and practice developments. In general, we raise the profile of specialist housing with developers, commissioners and providers to plan, design and deliver aspirational housing for an ageing population.

As part of our work, we would envisage working closely with our members to understand and prepare for the reforms. We are also keen to work closely with the government, and key government departments, to undertake this work, supporting the government’s ongoing process of consultation and feedback on the reforms and how they can be best implemented to secure future supply in the sector.

We believe the ‘task and finish’ groups organised by the Government for the previous consultation worked well. We would support this process again as part of the implementation phase, and be happy to provide a representative from The Housing LIN for any future groups.

The Housing LIN also organises regular regional events and workshops for our members which focus on major housing, care and support-related policy developments, as proposed in this case. We are sure that these proposals will feature in these future events as details emerge, to enable our members to debate, inform and process the implications of these new plans for their own organisations and localities. Therefore, we would welcome opportunities to jointly explore a

³ <http://www.housinglin.org.uk/Topics/type/Pioneering-Health-and-Housing-Memorandum-of-Understanding/>

programme of presentations and speakers from the Government which could be rolled out at these events.

Question 10: Deferred implementation will allow for additional preparatory measures. What suggestions do you have for testing Sheltered Rent?

As indicated above, the Housing LIN is in a strong position to engage closely with providers and commissioners to test 'sheltered rent' and support the government to develop an approach which works well for all. This could include the above events and workshops, alongside online engagement with stakeholders, focusing closely on the detail and on any technical issues. We could also undertake, support and disseminate detailed analysis of, and advisory notes on the reforms and on the preparatory measures which commissioners and providers will need to put into place. If time permits, we would also support the implementation of 'test pilots' looking at models of implementation, either on an area or on a specific topic basis. Consideration could be given to the approach adopted by NHS England's 'New models of care' vanguard programme that has been successfully used to support service transformation and the implementation of their 5 year forward view.

However, the Housing LIN has some concerns that – as we understand - the Strategic Plans have to be in place at the start of April 2020. If so, these will take significant time to prepare, particularly if some detailed aspects of implementation and regulation still need time to be clarified between now and then. Given this, local authorities with responsibility for Strategic Plans will need advanced and additional funding to prepare such plans, and potentially guidance on producing such plans or, failing this, Strategic Plans could be started in 2020 ready for publication in 2021.

Question 11: How do support services predominantly in sheltered and extra care accommodation get commissioned in your organisation or local area?

The Housing LIN will defer comments on this to local housing commissioners and providers, who are better placed to respond to this question. But for more general background information, visit our commissioning extra care housing webpages at: <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/Commissioning/>

Question 12: We believe 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 Housing LIN welcomes the proposals for local authorities, working with a wide range of partners, including providers across the sector, to develop a full needs assessment and strategic plan for supported housing in their area, including for older people's housing and related models of accommodation, care and support delivery. This provides a new opportunity to develop a more joined up, integrated approach, making the connections (in terms of needs assessment) with the Joint Strategic Needs Assessment (for health and wellbeing needs), the Strategic Housing Market Assessment and any new requirements on local government to develop an assessment of the specific housing needs of older people and other groups in their area (as required by the Neighbourhood Planning Act 2017).

From a strategic planning perspective, these proposals also provide a new opportunity for local partners to develop a comprehensive, holistic vision for health, social care and housing for older people across an area, encompassing the Health and Wellbeing Strategy, the NHS-led Sustainability and Transformation plans for the wider local area, any adult social care Market Position Statements, and the Local Plan, as well, of course, as any specific strategy for older people's housing which may be in place or in development. Consideration also needs to be given to the proposals on market shaping in the forthcoming social care green paper and how specialist housing for older people can meet wider local strategic objectives.

As a consequence, these proposals provide an opportunity for Government departments, working with the sector, to completely rejuvenate the role of all forms of retirement housing. Government should encourage sector involvement to use this opportunity to re-vision the role of older people's housing and consider making additional capital funding available for providers to adapt, refurbish and remodel existing forms of older people's housing as well as encouraging new build development.

The Housing LIN is ready to play a key role in supporting this process of debate, with thought-leadership and shared reflection on the issues and exploration of innovation and improvement.

Question 13: If you have any further comments on any aspect of our proposals for sheltered and extra care accommodation, please state them here.

Broadly, the Housing LIN welcomes these proposals, which provide a far more secure, realistic basis for the future supply of sheltered and extra care housing / older people's housing schemes, in all their size and diversity.

While the Housing LIN fully understands the need to control future costs, we would highlight that the methodology used to devise the service charge 'cap' in future years should reflect likely future cost increases in the market. The cost of older people's housing, as outlined above, is impacted by a wide range of factors, many of which are not within the provider's control. There is a risk that if the annual increase does not take account of sharply rising costs in the future (which are impossible to predict with any certainty at this point in time), this may negatively impact on provider's ability to plan for and secure much needed future supply (and thereby create a set of wider negative economic impacts, given the savings which sheltered housing delivers for health, social care, older people and communities).

The Housing LIN would like to see these proposals applied equally to all older people's housing schemes where there is a liability to pay rent; this may require changing benefit rules, for example to offer the same benefit eligibility rules and entitlement to older people living in schemes run by private and charitable sector landlords as for social sector landlords.

Finally, the Housing LIN would welcome clarity on a number of other key issues:

- A timescale for when the new 'sheltered rent' levels will be set. Ongoing uncertainty about these timescales will create a perception of ongoing

financial risk, and therefore will potentially further delay new schemes and developments being brought forward.

- What exactly is meant by ‘new supply’? Will this be building based, or might reviews of service charges in particular schemes, or even the arrival of new individual tenants, signal a shift to the new eligible rent levels?
- As also pointed out within the Anchor / Hanover / Housing and Care 21 joint response, schemes in the pipeline have been costed based on current anticipated rent and service charge levels. The Housing LIN would support their proposal⁴ that, in order to prevent the stalling of planned schemes due to concerns about future income levels, any schemes let prior to April 2020, alongside those already approved for funding by the HCA, should be treated as existing schemes, even if they complete after April 2020.
- The Housing LIN proposes that the core principles and expectations surrounding the three categories of supported housing should be clarified in a national framework or in more detailed guidance, to ensure a postcode lottery does not develop. Guided by this, the categorisation of particular schemes should be undertaken (and agreed by) local commissioners and providers, as set out in the local Supported Housing Plan, and overseen by the Health and Wellbeing Board, or similar local strategic body. These allocations should then be accepted by Government for funding purposes.
- How will universal credit apply for people of working age in sheltered or 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?

Conclusion

The Housing LIN works closely with the sector to share best practice and enable high quality networking and knowledge exchange, and collaborates with many strategic partners both nationally and regionally to achieve this. The Housing LIN will continue to be well placed to support and enable this thought leadership and to act as a catalyst in promoting and encouraging improvement across health, housing and social care. For access to a comprehensive library of best practice, research and resources, please visit the Housing LIN’s website at <https://www.housinglin.org.uk/>

For detailed information on the topic of specialist older people’s housing, visit: <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/>

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⁴ Final joint submission on consultation on funding supported housing – Anchor, Hanover and Housing 21, 14 January 2018