










Inquiry into Supported Housing Funding Reform

Homeless Action Scotland

Homeless Action Scotland is the national membership body for organisations and individuals tackling homelessness in Scotland. We are grateful for the opportunity to respond to the Inquiry in Supported Housing Funding reform. We have restricted our comments to our specialist areas of knowledge.

Homeless Action Scotland has a long-standing interest in the welfare system and Homelessness and in recent years have worked with the DWP to ensure homelessness and the needs of people who are homeless is taken into consideration when deciding on changes, and rolling these out as they happen.

Executive Summary







-  Emergency and Crisis accommodation should be calculated on a daily basis, rather than weekly or monthly.
-  All Supported Housing should have funding processes that allow for transitory situations, where people are in accommodation for very short periods of time.
-  Putting a maximum length of stay to an accommodation type can result in it becoming the 'average length of stay'. Having no maximum can have a positive outcome, and be more person centred.
-  People living in Supported Accommodation should be aware of and involved in the decision of rent being paid for their accommodation.
-  Funding pots that are provided on an annual basis can result in uncertainty for service users and organisations, as well as money spent on continuous administering of the application and receipt of funds. Longer funding times should be considered.
-  If planned timescales were postponed, there would be the opportunity to gain useful findings from pilots as well as a better understanding of UC full roll out.
-  LHA does not provide the full picture of funding needs for supported accommodation, it would be worth considering other housing management allocation systems.
-  The application of SAR to supported accommodation would result in accommodation closing due to a lack of funding and accommodation restraints.
-  The current system makes living in Supported Accommodation and retaining or taking up employment impossible. New systems should stop this from being the case.

Separate Funding Models

Whether separate funding models are needed for:

- refuges and other short-term supported housing services
- sheltered housing services for the elderly (these services would require a higher cap)

Refuges and other short-term supported housing services

1. Scotland continues to see homeless figures for people accessing help through their Local Authorities decrease, with the most recent annual statistics from the Scottish Government 2015 / 16 demonstrating there were 24,891 cases assessed as unintentionally homeless in Scotland¹, a decrease of 6% on the previous year. Though anecdotal evidence suggests that hidden homelessness; examples including sofa surfers and people staying in unsafe relationships to retain a roof, is on the increase. Also, recent figures from Glasgow Homelessness Network show that 2015/ 16 saw over 1000 different individuals sleeping rough across Glasgow over the 12-month period.²
2. Despite steady reductions in approaches to Local Authorities for homeless assessments, discussions with our members across the country have proven that in the majority of areas, bed spaces in supported accommodation of all types remains close to 100% throughout the year. We are also aware that there is an increase in the support needs of those accessing the provisions.
3. These points highlight that we have not reached a point where the need for supported housing has reduced; though from new models such as Housing First, we can see there is a need for more variation in what is on offer in terms of supported housing in the future. We see this as an important factor in how the funding models are implemented, as there is a need for a model that allows for changes, pilots and new ways of working.
4. In Scotland, we have several different housing provisions for people who are homeless:
 -  Emergency and crisis accommodation (including refuge accommodation)
 -  Temporary accommodation without support
 -  Temporary accommodation with support (not always provided directly by the accommodation)
 -  Supported accommodation on a temporary basis
 -  Supported Accommodation on a permanent basis
 -  A small amount of Housing first tenancies in a few areas of the country

¹ <http://www.gov.scot/Resource/0050/00508824.pdf>

² <http://www.ghn.org.uk/>

5. The above types fall into several different types of accommodation including furnished flats / houses, bedsits, B&Bs, purpose built provisions, scatter flats, to name a few. These are not all HMO properties, but where support is provided, they are registered by the Care Inspectorate.

Emergency / crisis provisions

6. Our main concern with upcoming changes is with processes for people accessing very short stays (1 to 5 nights) in emergency / crisis accommodation (of all types). It is important that the costs for these don't fall through the cracks, and is not paid for through any part of the new system. We would hope there is a process implemented to cover this sort of circumstance and that it is one that causes no worry to either the claimant or the accommodation provider.
7. In addition to the importance of a process incorporating emergency and crisis accommodation, we would recommend that the calculation formula for the funding for this accommodation type is done daily, rather than the monthly calculation that has been mentioned for other areas of accommodation. Emergency and crisis accommodation is not for use for periods as long as 4 weeks or a month, making a monthly rate unworkable.

Supported housing lengths of stay

8. Short stays should also be considered for more general supported accommodation, as it is not unusual in the first instance for a stay to be less than a week. This is particularly the case where someone has multiple and / or complex needs; though is not limited to these cases by any means.
9. In fact, there are many instances where someone may only choose to stay in an accommodation provision for a short amount of time and move on to another, out with homeless provisions, or may leave somewhere without notice as well as removing themselves from the benefits system entirely. We would request there to be some process in place for this common occurrence. In particular, a process that doesn't result in vulnerable people owing money to organisations and feeling they don't want to access support with them in the future, or for support organisations needing to be asking for significant sums of money from people they are supporting. This will lead to a very different relationship, and is unlikely to encourage a supportive role to thrive. There is a transitory element to all supported housing that must be considered with new processes.
10. Looking at the longer-term picture, we don't see the addition of any timeframe useful, for example, 2 years. This can result in the opposite effect, where as a result of there being a number, for example '2 years' in place, that becomes the time someone spends in that accommodation place almost as an expectation than limit. Therefore, we see no gain from a number being added to this.

“I don’t pay rent”

11. Finally, we would ask for there to be an element of the process that allows the person in whichever type of accommodation to know that however the money is paid, that there is rent being paid for them to be residing there. Too often people in receipt of housing benefit for supported housing state “I don’t pay rent’ which can be very disempowering. It is important that people feel they are paying for the accommodation and that rent is exchanging hands on their behalf, and notably, with their agreement.

The Localised Funding Pot

How the localised funding pot for supported housing would work, including:

- how it will be ring-fenced
- which factors should be used to determine local allocations

Ring fenced

12. We would recommend that the fund for supported housing is devolved to the Scottish Government. The next stage of how that is split should be decided in discussion with The Scottish Government, COSLA, SFHA and other relevant organisations. Homeless Action would like to see the money for this fund ring fenced to enable security for providers, and peace of mind to service users.

Allocations

13. Given we have a robust and highly regarded body in the Care Inspectorate, we would suggest that registration with the Care Inspectorate plays a role in how funding is allocated.
14. As mentioned previous, we also see the need to fund new projects and pilot models in the future, and see this as a vital part of planning the funding pot size and allocations.
15. From 1993 Scottish Homes used a ‘Special Needs Allowance Package’ banding system to allocate housing management costs. We recognise the language used within this is very outdated, but would suggest considering this type of model for allocations. LHA rates can only give part of a picture, and so looking at other models may provide a more useful overview.
16. Finally, we would recommend the pot be considered at every spending review and the sizing not to become stagnant or arbitrary.

The effects of uncertainty

The effects of uncertainty about the new funding model on tenants and development in the supported housing sector.

17. It goes without saying that uncertainty of funding can be very negative both to tenants and organisations. It can also result in costs; where staff are unsure of the longevity of their post, they are more likely to start moving on, resulting in costs for recruitment and training of replacement staff. This can be alleviated by providing as much notice of security of funding as possible, as well as providing funding for longer periods of time.
18. Administering funding is costly both to apply for, as well as to be applied. We would look to have a minimum of 3-year funding for accommodation that falls within this category.
19. There should also be consideration taken to the areas that are currently building, in areas now with Full UC live service. There should be discussions both from a strategic as well as practical level at how findings so far could be prevented with the implementation of a new system.

Pilots

Whether the system should be piloted before its full implementation

20. We would back the idea of several pilots for the new system, *if* there was a significant number of objectives that could be looked at through these. But in light of our response to the previous question, the ability to provide as much notice of upcoming changes is very important factor, and so we would not wish it to impact negatively on the time for planning for these changes. Thus, we would see pilots as useful tools where there was significant learning to be taken from them and timings were not limited too far as a result.
21. To allow for suitable pilots and planning to take place, we would therefore request the consideration for the timescales before roll out to be longer. Rectifying issues arising from UC in general prior to this change would also allow for a smoother process when changes are implemented.

Shortfall resolved

Whether the new system will resolve the shortfall in supported housing placements

22. This is very much dependent on how it is to be calculated, and the opportunities to link in to other funding streams, health for example. As mentioned previously, part of the financial

planning should reflect the costs of administering funds on shorter and longer terms to prevent money being spent where it needn't be.

LHA affecting Tenants

Whether the new system will ensure that the varied rate of the LHA cap will not adversely affect tenants and providers in low-value parts of the country.

23. The LHA rate does not always reflect the needs of the service, and so we refer back to our response to the localised funding pot; highlighting it may be useful to look back to the Scottish Homes SNAP banding, or similar housing management allocation systems.
24. We see no positives from applying Shared Accommodation Rate to supported housing, and can only envisage organisations not managing to meet the shortfall, resulting in closures. Having discussed this with members across the country, there has been no organisations seeing this in any other light.

Housing Benefit Disincentive

Whether housing benefit acts as a disincentive to work

25. Homeless Action Scotland would strongly disagree that housing benefit acts as a disincentive to work.
26. However, due to current systems working against one another, there is an element relating to this that must be taken into account and improved upon; that is where someone is residing in supported housing and is in employment. The current system makes it close to impossible to remain in paid employment and live in supported accommodation, due to the costs needed to pay for the rent whilst there, often leaving the resident in debt or with not enough money to get by. Any new system should work to enable and encourage someone in a supported accommodation to be able to either remain in employment or take on new employment whilst residing there. This should also be an easy system to work with, not adding cumbersome processes with unworkable timeframes imposed.

Homeless Action Scotland gives full permission for this submission to be published.

Submitted by Jules Oldham, Head of Policy & Operations, Homeless Action Scotland, Stanhope House, Stanhope Place, Edinburgh, EH12 5HH

jules@homelessactionsotland.org.uk