

## **HCA Affordable Homes Programme 2015-18**

### **Housing for Vulnerable and Older People- Supplementary information**

#### **Introduction and purpose of this guidance**

The HCA is committed to working with providers to deliver housing that meets local priorities and the housing needs of all sections of our communities, including meeting the needs of vulnerable and older people in mainstream, supported and specialised housing.

In January 2014, we published our prospectus for the 2015-18 Affordable Homes Programme. The prospectus sets out the requirements for bidders who wish to apply for investment.

This supplementary document provides additional information which may be useful for bidders in preparing to submit bids which include supported housing or housing for older people. This document should be read alongside the prospectus and further information available on the [Vulnerable and Older People](#) page of the HCA website.

#### **What does the prospectus say about supported housing or housing for older people?**

We have indicated through the prospectus that providers should submit bids that address the housing needs of all sections of our communities and for that reason we would encourage all providers submitting bids to consider how best to achieve that.

We encourage providers to bring forward proposals that will meet the needs of vulnerable and older people in mainstream housing, supported housing and specialised housing - both rented housing as Affordable Rent and housing for home ownership as shared ownership.

A key aim of programme assessment will be to reasonably maximise the supply of new affordable housing over the programme period. However, in considering comparative value for money, we recognise that in some cases there will be reasons why scheme costs or the resources available to bidders may vary. We will seek to take account of the reasons for outliers in our assessment. So, for example, although we do not accept that particular forms of housing are always inherently more expensive than others, there may be instances where a particular scheme for vulnerable or older people involves higher costs than the average for the bidder or area. Wherever possible, we will seek to take account of genuine comparators and in some cases seek further information from the bidder to understand whether there are genuine reasons for higher costs or grant requirements.

It is intended that bidders will not be systematically disadvantaged where there are some higher cost/higher grant bids within their proposed programme although we may choose not to allocate to particular individual schemes which are outliers, particularly where the reasons for being an outlier are considered to be weak.

#### **Homes for Affordable Rent**

We invite providers to submit bids for Affordable Rent supported housing and homes for Affordable Rent for older people.

#### **Rent setting**

See chapter 6 of the 2015-18 Affordable Homes Programme prospectus.

Housing for vulnerable and older people often includes a range of services to support the particular needs of the client group. When setting an Affordable Rent, the gross market rent comparables should be based on similar types and models of service provision. Where there are insufficient comparables for similar types of provision in the local area, valuers should be requested to identify comparables from other areas, and extrapolate their best view of the gross market rent that would be applicable in the location in which the property is situated. Providers should set the initial rent at up to 80% of that level.

### **Affordable Home Ownership**

For many older or vulnerable people, remaining in their own home is the ideal solution. However, for some people that may no longer be the most suitable option, whether because a house that previously served well as a family home becomes unsuitable for people to manage, or because the physical nature of the building and a changing level of support need means that adapting the existing family home is not appropriate.

For some people our standard affordable home ownership shared ownership product, subject to locally determined priorities, may be an option. In addition, two purpose designed variations to the standard shared ownership product exist, which some RPs may be willing to offer: Older People Shared Ownership (OPSO) and (where there is no suitable new build property) the open market alternative of Home Ownership for People with Long-term Disabilities (HOLD).

See the [Affordable Housing Capital Funding Guide](#) for full details of both these products.

### **Older People's Shared Ownership (OPSO)**

The OPSO<sup>1</sup> variation to the standard shared ownership product enables older people to buy a home with support on a shared ownership basis (usually using the equity released from the sale of their existing home). It supports choice and enables older people to continue to live independent lives in a home that suits their current needs with access to support services. The Older People's Shared Ownership product has the same features as shared ownership but with additional parameters which include a cap on staircasing at 75% and rent free on the 25% unsold share once the shared owner has staircased up to 75% ownership and that to qualify for assistance applicants must be aged 55 or over.

### **Home Ownership for People with Long-term Disabilities (HOLD)**

HOLD is a variation of the standard shared ownership product that is designed to assist people with a long term disability, to purchase a second hand property better suited to meet their housing needs on the open market. Applicants approved for HOLD assistance can, in the absence of suitable new build alternative, find a home suited to their housing needs and in an appropriate location on the open market or one that has been adapted and will meet their needs, which the landlord then purchases in order to lease back on shared ownership terms. The decision to make HOLD available or to accept HOLD applicants is a matter for individual landlords at their discretion and participation is voluntary.

Where landlords do decide to participate they are expected to give advice and support to home buyers around registering with estate agents, viewing and visiting suitable properties, and handling any negotiations over price, once a suitable property has been identified.

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<sup>1</sup> Previously known as Leasehold Scheme for the Elderly (LSE) or Shared Ownership for the Elderly (SOE)

## How does the HCA define Older People and Supported Housing client groups?

The HCA takes a broad view of vulnerable and older people and believes that their needs can be met in a wide range of housing solutions including general needs, specialist and supported housing. Where supported housing is appropriate, the HCA separates 'Housing for Older People' from 'Supported Housing' for other client groups.

If bids are for homes that are intended for older people they should be categorised as Housing for Older People in the Investment Management System (IMS) rather than as Supported Housing, regardless of the actual characteristics of residents or the support to be provided (e.g. Extra Care Schemes for older people)

Where a scheme is intended to house both older people and a supported housing vulnerable client group (e.g. an extra care for older people scheme that will have provision of some units for younger people with learning disability) this should be categorised with the appropriate units split across Housing for Older People and Supported Housing. The same method should be employed for a scheme that will offer a mix of provision covering more than one client group.

### Housing for Older People

This includes housing which is specially designed or designated for older people. For example, this may include sheltered housing, extra care housing, retirement housing or clusters of bungalows solely let to older people.

There are three types of housing for older people (definitions are available in Procurement and Scheme Issues chapter 3 Scheme types and requirements specifically [section 3.6](#) in the Capital Funding Guide):

1. **Housing for older people (all special design features)** including purpose built or remodelled grouped housing that has all the basic facilities and all special design features and access to support services to enable them to live there independently .
2. **Housing for older people (some special design features)**, as above but with only the basic design features outlined in the Affordable Housing Capital Funding Guide.
3. **Designated supported housing for older people**, buildings with none of the special design facilities and features listed above but which provide accommodation designated for older people requiring support, with support services provided by the landlord or another organisation.

The HCA also recognises the value of specialist housing where it does not meet the above criteria and may be categorised as general needs, but where it is still designated for or meets the needs of older people (e.g. some bungalows or homes built to HAPPI principles).

### Supported Housing

The HCA recognises that vulnerability covers a wide range and levels of need and that not all vulnerable people need supported housing. However, some people may require ongoing support and care in permanent supported housing accommodation and others may need tailored support for a limited period in order to support them into more independent living, a settled lifestyle, education, training and employment.

The delivery of a support service (for example funded by Supporting People) does not necessarily result in the categorisation of housing as supported if the property is not purpose

designed or designated for a particular client group. In the absence of either of these two conditions housing is categorised as general needs (definitions are available in [section 3.6](#) of the Procurement and scheme issues book Chapter 3 Scheme types and requirements in the Affordable Housing Capital Funding Guide).

### **Supported housing client groups headings:**

The HCA does not limit the client groups for whom it funds supported housing. However, we do divide supported housing provision into fifteen broad client group headings (see below). Some groups may not be listed but are still eligible for funding (for example, acquired brain injury and autism).

- **Homeless families with support needs** –families with dependent children considered to be homeless, who may or may not be owed a homeless duty.
- **Offenders and people at risk of offending** – offenders and people at risk of offending who are having difficulties in sustaining their accommodation or living independently as a result of their offending behaviour.
- **People at risk of domestic violence** – people who are experiencing, or are at risk of experiencing, domestic violence/domestic abuse. They may have left their home, or having difficulties in maintaining their home or their personal safety and security.
- **People with alcohol problems** – people with alcohol problems who need support to maintain their independence as a result.
- **People with drug problems** – people with drug or other substance problems who need support to maintain their independence as a result.
- **People with HIV/AIDS** – people with HIV/AIDS who are requiring support to maintain their independence within the community.
- **People with learning disabilities or autism** –people who need support to maintain their level of independence. They may have challenging behaviour, deficits in social functioning and/or adaptive behaviour or impairments affecting social interaction, communication and imagination. These disabilities are usually present from childhood.
- **People with mental health problems** – for people with a diagnosed or undiagnosed mental health problem who need support to maintain independence. They may be:
  - people with enduring but relatively low level mental health problems that interfere with their ability to cope or function on a day to day basis,
  - people whose behaviour is a concern for their own safety or that of others,
  - people at risk of suicide or depression,
  - people who have been diagnosed as mentally ill and who have had, or are having, specialist treatment.
- **People with physical or sensory disability** (or with young onset dementia) – people with mobility difficulties, sensory impairments, suffering any loss or abnormality of an anatomical structure or function, or suffering from a debilitating or long-term illness who need support to maintain their level of independence. Schemes that will be predominantly be for older people with dementia or other disabilities should follow the Housing for Older People route.
- **Refugees** –people who have been officially accepted as refugees, or who have been given indefinite or exceptional leave to remain. This excludes those seeking asylum.
- **Rough sleeper** – a person bedded down for the night on the street or sleeping outside or sleeping in buildings or other places not designed for habitation, or someone at risk of rough sleeping.
- **Single homeless people with support needs** – single people considered by the service provider to be homeless, who may or may not be owed a homeless duty.
- **Teenage parents** – Young single parents (usually aged less than 20) needing support and vulnerable young women in this age group who are pregnant.

- **Young people at risk** – young people aged 16 – 25 who are homeless or in insecure accommodation, and who need support to be able to take care of themselves or to protect themselves from harm or exploitation.
- **Young people leaving care** – young people leaving local authority care who have been looked after for a continuous period of at least 13 weeks after the age of 14.

### **Remodelling existing housing**

Funding may be allocated, subject to assessment, to support the remodelling or re-provision of existing supported housing and older persons housing schemes where it can be shown to represent value for money and is consistent with local priorities and resource constraints. As part of the discussion with the local authority we would want to see consideration that:

- The project is no longer suitable for the needs of the client group or that the existing client group is no longer a priority for provision;
- There is on-going need for the remodelled project and that it will continue to meet need for years to come;
- That there is flexibility within the remodelled design to enable the property to be adapted without further Government investment, should the needs of the local area change again in the future; and
- There has been a full options appraisal of the relative value of the remodelled project against provision of a new project.

## **How do providers identify and agree local authority supported housing and housing for older people priorities?**

### **Local strategic priorities**

Local authorities and their partners (including new Health and Well Being Boards) have a strategic role in identifying local needs and planning how best to meet those needs including planning for new specialised housing and the commissioning of associated services. In considering proposals for supported housing and housing for older people, the HCA will wish to ensure that proposals are in line with locally identified strategic priorities.

The Equality Act 2010 requires public bodies, such as local authorities, to meet statutory duties for equality. From 5<sup>th</sup> April 2012, local authorities have been required to publish their equality priorities. Providers are advised to discuss their offers with local authorities and consider the opportunity to meet equality priorities through the provision of housing for vulnerable and older people. The HCA has encouraged the identification and inclusion of these priorities within relevant local strategic plans. Further information concerning equalities is provided alongside the prospectus [insert link]

### **Local strategic role**

Recent changes to the role of local authorities have focused on the integration of health and social care and services that are more personalised, more preventative and focused on outcomes. The provision of appropriate housing will be a key element in the delivery of local ambitions. Specialised housing solutions for older and vulnerable people can deliver benefits to individuals' wellbeing through increased independence while also providing significant cost savings to local budgets. This has been evidenced in the HCA report [Financial benefits of investment in specialist housing for vulnerable and older people](#) which analyses and quantifies the financial benefits of HCA investment in terms of financial saving for government in the areas of health, social care, crime and employment. Report findings demonstrate an average net benefit of £940 per person per year, rising to £4,671 for people with learning disability and £6,764 for people with mental health problems.

## Needs Identification

Local authorities may plan for and prioritise meeting the needs of an ageing population and those of vulnerable and older people through a range of tools and data sources. These can include:

- Strategic housing market assessments taking account of demographic projections;
- Joint Strategic Needs Assessments;
- Health and Well Being Strategies;
- Housing related support, or client group specific strategies underpinned by local needs analysis.

## Use of existing land and other assets

Local authorities are encouraged to take a broad view of land assets and the total capital invested in their area. Partners should look to provide joined-up funding and services linking HCA capital funding with associated services funded through other bodies to maximise the return on the funding. This may include the redevelopment of surplus public land.

Extensive public capital investment may be held in existing specialised housing schemes for vulnerable and older people; schemes which may have taken many years to develop. Should decommissioning of services within such buildings be considered then re-utilisation of the building or site for a different client group or purpose should be carefully considered, working closely with the owning landlord. This is particularly important when considering value for money when commissioning and seeking capital funding for new schemes.

## What guarantees does the HCA require regarding revenue funding?

The HCA does not require guarantees of revenue funding. However, strategic prioritisation and commitment from the local authority will give a strong indication of intent to fund when the scheme is ready to let.

## What sorts of schemes can be funded?

The [Affordable Housing Capital Funding Guide](#) includes clear guidance as to the types of supported housing and housing for older people that are eligible for funding. Key is that the principal purpose of a scheme should be the provision of a home - registered nursing homes and direct access night shelters would fall outside this principle. Definitions are available in [section 3.6](#) of the Procurement and scheme issues book Chapter 3 Scheme types and requirements in the Affordable Housing Capital Funding Guide.

## Scheme types

The HCA does not specify particular built-form solutions for different client groups or levels of need. Commissioning bodies, working with housing partners locally, will be best placed to identify the type of provision that will most appropriately meet locally identified needs. Local partners will have the best understanding of how any new provision will fit with, and complement, existing services and supported housing locally.

Scheme types can include but are not limited to:

- Sheltered housing
- Shared supported houses
- Domestic violence refuges
- Drug / alcohol rehabilitation schemes
- Hostels
- Foyers
- Extra care housing
- Retirement villages

Whilst HCA funding is invested in the bricks and mortar of supported housing and housing for older people, it is the capacity of that building to enable greater self-reliance and more

independent living, improve health and, where needed, facilitate the delivery of vital care and support services that demonstrates the full value of the investment.

The HCA is keen to ensure that the schemes it funds achieve maximum value for money and impact for both residents and also local communities. It may be that a scheme provides services not only to residents but also acts as a hub for services that reach out into the community, or invites the community in to utilise the scheme facilities. Additionally in order to maximise value for money and connection to communities schemes should avoid duplicating facilities already existing in the local community.

## **Design**

The HCA encourages proposals for general needs, specialised and supported properties that are appropriate for vulnerable and older people. This may include considering lessons from good practice for example, designed in accordance with appropriate guidance or practice such as the HAPPI principles. We also encourage properties that would be suitable for move-on accommodation from supported housing where this is an identified local priority.

Providers should work with local authorities to implement the results of the Government's standards review once these are known, with particular reference to any implications for housing for older and vulnerable people.

Appropriate provision may be achieved through flexibly designed supported housing and housing for older people, i.e. buildings that can respond to evolving service management models, and resident and commissioning requirements, allowing future changes to be made with minimum additional capital expenditure. We suggest that providers consider an exit plan at the design stage including potential alternative uses of the building should the scheme no longer be required for its initial particular client group.

Proposals for housing for vulnerable and older people may wish to take account of best practice design recommendations in the HCA's [HAPPI report](#) and [HCA's non-mainstream housing design guidance](#). The HAPPI report showcases good examples of provision in housing for older people from across Europe and includes a number of case studies of different tenures and service models including schemes that include a range of services acting as a hub for the wider community. The HCA's non-mainstream housing design guidance brings together the range of existing guidance for a specific development type or user group including vulnerable people with learning disability and autism.

## **What other things should providers consider before bidding?**

If seeking funding for supported housing and housing for older people, investment partners and commissioners may wish to clarify the following with their commissioning body and local authority (note: these are not requirements for funding):

- Proposed services and their intended outcomes;
- Proposed sources of revenue which may include, or be solely from, personal budgets, supporting people or other funding;
- Local authority support identified in relevant Local Investment Plans or appropriate local strategies<sup>2</sup>;
- Any flexibility built into the design of the building;
- An exit plan including capacity to convert to alternative use without significant additional capital expenditure;

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<sup>2</sup> May be one or more of: the local Housing Strategy, Supporting People Strategy, Homelessness Strategy, Older People Strategy, Community Strategy or other client group specific strategy

- Strategic approach to move-on (where appropriate for the client group);
- How the scheme links to, or embeds with, the local community, as appropriate to the client group and level of service provided; and
- Links with education, training and employment provider, as appropriate to the client group and level of service provided.

**Further information**

**HCA Affordable Homes Programme 2015-18**

<https://www.homesandcommunities.co.uk/ourwork/affordable-homes-programme-2015-18>**HCA**

**Affordable Housing Capital Funding Guide**

<http://cfg.homesandcommunities.co.uk/>

**HCA Vulnerable and Older People**

[http://www.homesandcommunities.co.uk/vulnerable\\_people](http://www.homesandcommunities.co.uk/vulnerable_people)

**HCA Equality and Diversity**

<http://www.homesandcommunities.co.uk/equality>

**HCA – HAPPI**

<http://www.homesandcommunities.co.uk/Housing-Ageing-Population-Panel-Innovation>.

**HCA Non-mainstream housing design guidance**

<http://www.homesandcommunities.co.uk/non-mainstream-housing-design-guidance>