



Ministry of Housing,  
Communities &  
Local Government



Department  
for Work &  
Pensions

# Funding for Supported Housing

Government Response to Two Consultations



© Crown copyright, 2018

*Copyright in the typographical arrangement rests with the Crown.*

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

This document/publication is also available on our website at [www.gov.uk/mhclg](http://www.gov.uk/mhclg)

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Ministry of Housing, Communities and Local Government  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF  
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/mhclg>

August 2018

ISBN: 978-1-4098-5316-9

# Contents

<b>Ministerial Foreword</b>	<b>4</b>
<b>Introduction</b>	<b>6</b>
Summary of the Sheltered and Extra Care Housing Consultation Responses	7
Summary of the Short-term Supported Housing Consultation Responses	16
Government Response to the two consultations	23

# Ministerial Foreword

Supported housing provides a vital service for vulnerable people in crisis, such as those fleeing domestic abuse or facing homelessness, as well as a life-long home for people with learning difficulties, mental ill-health and for older people looking to lead an independent life for as long as possible. It is therefore important that we get the funding for this important provision right and set it on a sustainable footing.

In October last year we consulted on proposals to achieve this sustainability. This included an enhanced regulatory regime for sheltered and extra care housing ('Sheltered Rent'), and a ring-fenced, local authority administered grant for short-term provision. We have taken note of all consultation responses and opinions, in particular listening to the views expressed by the sector throughout the process, working closely with providers and others. We are very grateful for the time that stakeholders made to meet with us to explore the proposals in detail, which this response reflects.

For sheltered and extra care housing, we have worked closely with the sector to understand how 'Sheltered Rent' might work in practice. We are not convinced the proposed regulatory approach is the right step. Providers have been very keen to work with us on ensuring that best value for money is achieved, and we want to continue this dialogue. Consequently, we will not be pursuing the Sheltered Rent model in the upcoming consultation on the Rent Standard Direction.

For short-term supported accommodation, we have heard concerns expressed by both providers and by the WP/HCLG Select Committee. We understand the issues raised and have concluded continuing to provide funding via the welfare system, together with a robust oversight regime, is the better option. This means we will not proceed with the grant model for short-term accommodation.

We will therefore be maintaining Housing Benefit for all supported housing, including short-term. This reflects the particular needs of these vulnerable groups of people, and the government's commitment to protect them.

We strongly believe, however, that oversight of quality and value for money must be achieved within the whole supported housing sector. Ensuring quality accommodation for vulnerable people, whilst spending tax-payers' money correctly, is a priority for government. We recognise the level of commitment and high standards demonstrated by most providers in this sector, but we need to ensure standards across the whole sector. We will continue to work with providers, local authorities, membership bodies and resident representatives over the coming months to put together a sound and robust oversight regime. This will cover short-term, long-term and sheltered and extra care housing, and will build upon our draft National Statement of Expectation, published last October. Government is fully committed to getting this right, and we will be reviewing progress closely.

Alongside this enhanced oversight we are keen to have a full and clear picture of the supported housing sector, including the important role of housing related support. We will

therefore undertake a review of that element in order to better understand how housing and support currently fit together.

We think that the above gives the sector the confidence and certainty they need to continue to invest in supply. We are also absolutely committed to getting the right level of oversight, and look forward to working closely with the sector on this.

**Minister for Housing  
and Homelessness**

**Parliamentary Under Secretary of State  
for Family Support, Housing and Child  
Maintenance**

**Nigel Adams MP**

**Justin Tomlinson MP**

**August 2018**

# Introduction

On 31 October 2017, the Ministry for Housing, Communities and Local Government (previously Department for Communities and Local Government) and the Department for Work and Pensions launched two consultations, which closed on 23 January 2018. One consultation related to sheltered and extra care housing, and the other related to short-term supported housing.

We welcomed and received comments from respondents across Great Britain, although the consultation related to England only. The Government received 738 responses to both consultations and issued an interim Government response on 3 April<sup>1</sup>.

---

<sup>1</sup> The interim Government response for both consultations is located at the following link <https://www.gov.uk/government/consultations/funding-for-supported-housing-two-consultations>

## Summary of the Sheltered and Extra Care Housing Consultation Responses

There were 304 responses to the sheltered and extra care housing consultation. The number of responses broken down by category is set out in the table below:

<b>Category</b>	<b>Number of responses</b>
Local Authority	142
Registered Social Landlord or other housing association	111
Professional body	23
Other representative groups	18
Voluntary organisations	4
Individual members of the public	3
Others	3
<b>Total</b>	<b>304</b>

We received eight responses from stakeholders in Scotland. We also received seven responses from stakeholders in Wales.

Throughout the document, many respondents gave more than one answer for each question and some questions they did not answer at all. As such, the number (and percentage) of answers to the questions often differ from the total number of respondents who answered the question.

**Question 1 (a): We would welcome your views on the following:**

***“Sheltered housing is housing designated for occupation mainly by over-55s with low-level care and support needs. The majority of residents are above the state pension age, but some are working age. Their needs are at least in part met by extra housing facilities and services available to residents. This support could be either physical (getting in and out of the property) and/or emotional/mental (emergency help or assurance). Features of a sheltered unit might include:***

- ***24 hour emergency help (alarm system)***
- ***Warden present some of the time***
- ***Some communal facilities i.e. lounge, restaurant, laundry, garden***
- ***Rooms available for outreach services***
- ***Often accessible buildings designated for communal purposes”***

**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?**

There were a total of 272 responses to the question.

Features and characteristics:

### **Housing**

- 125 (46%) responses suggested the definition should include availability of communal areas.
- Respondents also suggested that the definition should refer to self-contained units and that an alternative name be used for sheltered housing, since this term is being used less in the sector.

### **Services**

- 101 (37%) responses suggested the definition should refer to 24 hour welfare checking facilities (i.e. wardens/scheme managers, personal alarms or assistive technology) to provide assistance to residents.
- Respondents also suggested that the definition should refer to the availability of social activities.

### **Tenants**

- 94 (35%) responses suggested the definition should refer to people over the age of 55, whilst others suggested that the definition should refer to another age or no age at all.
- Respondents also suggested that the definition should be focused on the outcomes the service is trying to achieve for individuals.



### Practical implications:

- 33 (12%) responses suggested Government should consider that schemes have people with varying needs.
- Responses also suggested that Government should consider that the division between sheltered and extra care is not always clear cut and that the definition should be wide and flexible.

### **Question 1 (b): We would welcome your views on the following:**

***“Extra care housing is related to sheltered housing but with higher level support and care to help residents live independently (for example where the likely alternative might be a residential care home).”***

**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?**

There were a total of 257 responses to the question.

### Features and characteristics:

#### **Housing**

- 135 (53%) responses suggested the definition should include availability of communal areas.
- Respondents also suggested that the definition should refer to self-contained units.

#### **Services**

- 130 (51%) responses suggested the definition should refer to staff being on site 24 hours a day.
- Respondents also suggested that the definition should refer to the provision of moderate to high level care (usually on site) and individual support plans, as well as personal alarms, and access to meals.

#### **Tenants**

- 51 (20%) responses suggested the definition should refer to people over the age of 55.
- Respondents also suggested that the definition should be focused on the outcomes the service is trying to achieve for individuals.

### Practical implications:

- Some responses suggested the definition should be wide and flexible, with some respondents suggesting that older schemes often have different characteristics.
- Respondents also suggested Government should note the mixed level of need in some provision, and that it may sometimes be difficult to differentiate between delivering this type of housing and residential care.

### **Question 1 (c): We would welcome your views on the following:**

**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?**

There were a total of 227 responses to the question.

#### **Housing**

- 32 (14%) responses suggested that this may inadvertently capture general needs housing for older people.
- Respondents also suggested that the definitions of sheltered and extra care supported housing should be kept separate.

#### **Tenants**

- 82 (36%) responses suggested that working age tenants should be considered as part of the definitions of sheltered and extra care supporting housing.
- Respondents also suggested the definition of 'older' may change as we live longer lives.

**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 from money, we are introducing a 'Sheltered Rent' to cover rent inclusive of eligible service charges.**

**How should the detailed elements of this approach 'Sheltered Rent' be designed to maximise your ability to commit to future supply?**

There were a total of 253 responses to the question.

- 69 (27%) responses suggested the sheltered rent cap should be high enough to capture most reasonable rent and service charges.
- 54 (21%) responses suggested that the sheltered rent cap should factor in real increases (e.g. rise at CPI +1%).
- Other responses suggested that the sheltered rent must cover actual costs and regulation should allow providers that are unable to comply to explain why their costs are over. Some responses also suggested that the sector be closely involved in setting the sheltered rent and that intensive housing management should be permitted.

**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?**

There were a total of 249 responses to the question.

- 134 (54%) responses suggested service charges were driven by the level of facilities.
- 113 (45%) responses suggested that service charges were driven by staff costs.
- Respondents also suggested service charges were related to repairs and maintenance, size of the scheme, age of the building, location and utility bills. Some also suggested service charges were related to the level of care provided and how support is commissioned locally.

**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?**

There were a total of 239 responses to the question:

- 79 (33%) responses suggested that there should be separate bands for sheltered rent and extra care.
- 61 (26%) responses suggested that banding should relate to regional differences.
- 44 (18%) responses suggested that a banding approach would not work.
- Respondents also suggested that the banding be based on benchmarking. Many agreed with introducing a banded approach of some form and some suggested banding should relate to the level of facilities and the size differences of the schemes.

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

There were a total of 182 responses to the question.

- Most respondents told us they set their service charges annually.

Category	Number of Responses	Percentage of Responses
Annually	167	92 %
More than once a year	5	3 %
3-5 years	2	1 %
5 years or more	1	0.5 %

**Question 6: What percentage of your service charges is paid by Welfare payments, Local authorities, tenant and any other reflections?**

There were a total of 107 responses to the question.

Of those who responded, they told us the majority comes from welfare, but that some is paid by local authorities or by tenants themselves.

**Question 7: We would welcome your views on the draft National Statement of Expectations and suggestions for detailed guidance.**

There were a total of 252 responses to the question. Respondent's views were as follows:

- Most respondents largely welcomed the Government's draft National Statement of Expectations (NSE).
- Some said that the NSE should include details of new burdens funding and support costs.
- Some said that the NSE placed too great a burden on upper tier authorities.
- Some suggested that there should be a uniform mechanism to identify need.

**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?**

There were a total of 234 responses to the question. Respondent's views were as follows:

- Some said that the main relationship at local level was through local commissioning.
- Some said that they used local partnerships to plan for local provision.
- Some told us that local communication and collaboration was on an adhoc basis.
- Some organisations stated that they used health and wellbeing boards and/or strategic housing boards to consider sheltered and extra care housing.

**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?**

There were a total of 246 responses to the question.

- 100 (41%) responses suggested that Government should announce the details as soon as possible.
- 73 (30%) responses suggested that Government should produce clear and thorough guidance to assist with implementation.

- Respondents also suggested that, in preparation Government should undertake pilots, modelling and testing. Some respondents said that they would produce strategic plans, including needs assessments, in advance of implementation.

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

There were a total of 220 responses to the question.

- 119 (54%) responses suggested there should be pilots for testing the sheltered rent model.
- 62 (28%) responses suggested that Government and providers should model data.
- Respondents also suggested a desk top exercise and more work on banding.

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

There were a total of 146 responses to the question.

- Most respondents said support services were commissioned by upper tier local authorities. Some responses also noted commissioning by NHS trusts.

**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 improvements in outcomes and value for money forward?**

There were a total of 211 responses to the question.

- 100 (47%) responses said that this could be achieved through sharing best practice.
- 67 (32%) responses suggested joint commissioning could drive improvements.
- Respondents also said that benchmarking, outcomes frameworks for individuals, and sharing information on market trends could improve outcomes and value for money.

**Question 13: If you have any further comments on any aspect of our proposals for sheltered and extra care accommodation**

There were a total of 143 responses to the question.

- Many responses typically suggested that the Government should provide funding reform for support costs and clarify what constitutes eligible service charges. Some also requested clarity on benefit eligibility and whether this would be Universal Credit or Housing Benefit eligibility.

## Summary of the Short-term Supported Housing Consultation Responses

The short-term supported housing consultation received 434 responses. The number of responses broken down by category is set out in the table below:

<b>Category</b>	<b>Number of responses</b>
Local Authority	153
Registered Social Landlord	111
Others	170
Total	434

Of the figures in the table above, twelve responses were received from stakeholders in Scotland. We also received fifteen responses from stakeholders in Wales.

Throughout the document, many respondents gave more than one answer for each question and some questions they did not answer at all. As such, the number (and percentage) of answers to the questions often differ from the total number of respondents who answered the question.



**Question 1:** *For the purpose of the funding model we have defined short-term supported housing as: “Accommodation with support, accessed following a point of crisis or as part of a transition to living independently, and provided for a period of up to two years or until transition to suitable long-term stable accommodation is found, whichever occurs first.”*  
**Do you agree with this definition? [Yes/No] Please comment**

There were a total of 350 responses to Question 1. Of these,

- 158 (45%) agreed with the definition and 147 (42%) did not agree with the definition.
- There were a total of 147 responses from Local Authorities (LAs), including Scotland and Wales, and of these 82 (56%) agreed with the definition and 38 (26%) did not.
- 80 (23%) of 350 respondents felt that the 2 year time period set out in the definition was too short and 48 (14%) felt it was too long.
- 69 (20%) of those in the overall total responses wanted the definition to include other groups and 31 (9%) wanted it to be separate for other groups.
- Many respondents that accepted the definition expressed a preference for the timescale to be reduced to three months.
- Respondents also asked that funding remain in the welfare system.

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

There were 337 responses for this question:

- Of these, there were 178 (53%) requests for grants to respond to rent inflation and rising needs.
- 118 (35%) requested detailed guidance.
- 84 (25%) suggested that the grant should be supported by statutory duties and stronger protections.
- 75 (22%) suggested long-term commissioning contracts ranging from a minimum of 5 years up to 10 year contracts.

**Question 3 (a): Local authorities – do you already have a Supported Housing plan (or plan for it specifically within any wider strategies)?**

The table below shows a breakdown of the 138 responses from Local Authorities:

<b>Local Authorities</b>	<b>Responses</b>	<b>yes</b>	<b>no</b>
London Boroughs	16	31%	44%
Metropolitan Districts	24	25%	58%
Unitary Authorities	35	26%	49%
Shire Counties	17	29%	41%
Shire Districts	38	32%	61%
GLA	1	0%	0%
Scottish Authority	2	50%	0%
Welsh Authority	5	60%	20%

**Question 3 (b): Providers and others with an interest – does the authority (ies) you work with involve you in drawing up such plans?**

There were a total of 172 responses to this question:

- 88 RSLs provided a response and of these 40 (45%) said Yes, 17 (19%) said No and 28 (32%) said this varied according to LAs.
- There were 30 responses from providers who were not registered social landlords, and of these 13 (43%) said Yes, and 11 (37%) said No.

**Question 3 (c): All - how would the Supported Housing plan fit with other plans or strategies (homelessness, domestic abuse, drugs strategies, Local Strategic Needs Assessments)?**

358 respondents provided a variety of additional comments.

Comments provided included:

- Funding must be increased if LAs are to deliver realistic plans.  
  
Supported housing plan could cut across a number of existing plans, and so it should cross refer. For example, the Supported Housing plan would sit alongside strategies for housing, homelessness, violence against women and girls, drugs and alcohol and safer communities.
- There is an opportunity for more joint working and to create greater alignment between capital and revenue funding.
- It may be difficult in two tier areas, where there may be a lack of a political mechanism to agree or adopt countywide plans.

**Question 4 (a): [of local authorities] do you already carry out detailed needs assessment by individual client group?**

There were 163 total responses to this question, of which 124 responses from Local Authorities (including Scotland and Wales).

- Of the total responses, 68 (42%) said yes and 59 (36%) said No.
- 36 (29%) of LA respondents said they had this only for groups with statutory duties or as part of Joint Strategic Needs Assessments and a small number 9 (7%) said they had this as part of their market position statement.

**Question 4 (b) part 1: Providers – could you provide local government with a detailed assessment of demand and provision if you were asked to do so?**

There were a total of 152 responses to this question.

- 99 (65 %) of respondents said they could provide both.
- There were 23 (15%) demand only and 29 (19%) provisions only.

The table below shows how Providers have responded to this question.

Providers	Responses	Yes - both	Yes – demand only	Yes – provision only	No
Registered Social Landlord or Housing Association	75	60%	13%	27%	11%
Other Landlords	32	84%	3%	6%	9%

**Question 4 (b) part 2: All – is the needs assessment as described in the National Statement of Expectation achievable? [Yes/No]**

There were a total of 232 responses to this question.

- 130 (56%) said Yes and 60 (26%) said no.
- 28 (12%) felt it was too resource intensive whilst 3 (1%) felt it was achievable but only for statutory groups.

**Question 4 (c): Please Comment [on the needs assessment and National Statement of Expectation]**

233 respondents provided comments, which were mixed and included:

- Success will largely depend on the resources for LAs to carry out a meaningful assessment, including the context of reducing staff levels, and consideration of the timescale.
- Requirement to produce an NSE could be difficult for LAs. MHCLG should therefore provide guidance for needs assessment.
- The NSE needs more detail on expectation of joint working in assessment of need.

**Question 5: Do you agree with this approach? [I.e. to allocate the grant to Upper Tier authorities]**

There were a total of 243 responses.

- 92 (38%) argued that it should not sit with the upper tier and 87 (36%) thought it should sit with the upper tier.
- 58 (24%) thought that it should sit with the Housing Authority whilst 46 (19%) thought there should be a requirement to cooperate if the grant was allocated to the upper tier.

The table below shows how the Local Authorities responded:

<b>Local Authorities</b>	<b>Responses</b>	<b>Yes</b>	<b>No</b>
London Boroughs	12	42%	0%
Metropolitan Districts	13	38%	46%
Unitary Authorities	13	54%	15%
Shire Counties	14	71%	14%
Shire Districts	42	24%	48%
GLA	1	0%	0%
Welsh Authority	3	60%	0%
Total	98	40%	31%

**Question 6: The draft National Statement of Expectation (see Section 4) published today sets out further detail on new oversight arrangements and the role of local authorities. We would welcome your views on the statement and suggestions for detailed guidance.**

There were a total of 283 responses to question 6.

The National Statement of Expectation (NSE) was generally welcomed. However, comments were mixed and included the following:

- Planning must be fully funded;
- LAs must engage providers;

- Support funding is also important; and.
- The NSE needs to be on a statutory basis.

**Question 7: Do you currently have arrangements in place on providing for those with no local connection? [Yes/No] If yes, what are your arrangements?**

There were a total of 288 responses to the question.

- 164 respondents said yes, and 50 said no;
- Respondents suggested that arrangements were in place but only for some client groups; and
- Some respondents stated that this was inconsistent and varied on a service by service basis.

**Question 8: How can we help to ensure that local authorities are able to commission both accommodation and associated support costs in a more aligned and strategic way? Do you have further suggestions to ensure this is achieved?**

There were a total of 156 responses.

115 (74%) respondents said there should be commissioning arrangements; 76 (49%) respondents said that guidance should be in place; 43 (28%) of the respondents indicated that there should be new statutory duties; and 45 (29%) thought that this could be achieved through strategic plans and a needs assessment.

**Question 9: How will you prepare for implementation in 2020, and what can the Government do to facilitate this?**

There were 296 responses to this question. Of these:

- 125 (43%) respondents have asked for clear guidance to be published;
- 95 (32%) respondents would require more time to prepare;
- 77 (26%) of these have asked for additional funding to be made available; and.
- 53 (18%) respondents wanted the focus on getting needs assessments completed.

**Question 10: What suggestions do you have for testing and/or piloting the funding model?**

There were a total of 206 responses to this question. Of these:

- 147 (71%) respondents said they wanted a range of LAs to pilot;
- 44 (21%) respondents wanted a phased implementation;
- 43 (21%) respondents wanted a limited time period within which this must be done; and
- 37 (18%) respondents offered to pilot the funding model.

**Question 11: If you have any comments on any aspects of our proposals for short-term supported housing, please could you state them here?**

There were 115 mixed responses to this question.

- Some responses set out a preference for keeping funding within the welfare system;
- Some asked for certainty around the future allocation of funding to short-term supported housing; and
- Some asked us to reconsider the definition of short-term supported housing.

**Other responses**

In addition to the responses analysed above, we received a total of 72 responses in the form of generalised statements. These responses were not specific to each of the questions asked. Of these, 22 provided similar responses and asked the Government for bespoke funding for a national network of refuges.

The remaining responses often asked the Government to reconsider the definition of short-term supported housing. Several respondents welcomed aspects of the policy framework, typically the National Statement of Expectation.

## Government Response to the two consultations

We are grateful for the 738 responses received by the Government to these consultations. Respondents have provided detailed responses, and we have reflected on the information provided in deciding the policy going forward.

### **Sheltered and Extra Care Housing**

The 304 responses to the Sheltered and Extra Care Accommodation expressed an understanding of the need for value for money in the sector, but concerns about the unintended consequences of the proposed definition and whether providers would be able to continue to recover the full costs of providing Sheltered and Extra Care schemes.

There is clearly a wide diversity of schemes falling within the definition, and considerable variety in the level of service charges relating to the design of the accommodation and the services provided. Respondents were concerned about whether 'Sheltered Rent' would be set at the right level – too high and it would have limited impact; too low and failure to cover operating costs risked future supply.

It was also apparent that our intention to regulate gross rent would be complex to deliver. Whilst rent is often set by formula, service charges are dictated by the actual cost of services which vary from scheme to scheme. Setting a consistent cap would be particularly challenging.

On balance, we are not convinced the proposed regulatory approach is the right step. Providers have been very keen to work with us on ensuring that best value for money is achieved, and we want to continue this dialogue. Consequently, we will not be pursuing the Sheltered Rent model in the upcoming consultation on the Rent Standard Direction.

### **Short-term Supported Housing**

There were 434 responses to the Short-term Supported Housing funding model consultation, providing valuable insights into this diverse sector.

Given the variety of services, suppliers and business models it is unsurprising that a consensus was not forthcoming particularly on the correct definition of short-term supported housing, or on the right funding model.

Many respondents expressed concerns about moving from a demand-led funding model, to a commissioning model for housing cost. In particular the administrative burden on providers, and on LAs, would increase, and there would be a new risk that an LA could choose not to fund provision, which developers would need to take into account. The change in risk profile would likely increase borrowing costs and depress supply.

Many providers and local authorities also asked for guarantees that the grant fund would grow annually in line with social rents and would respond to increased demand. This is particularly complex in the context of a fixed grant.

We were particularly concerned about the potential impact of the announced funding model on current and future development, and we are grateful to providers and lenders for setting this out in detail.

Local authorities were broadly positive about the proposal, but had concerns that the administrative costs were fully funded and that the size of the funding pot to be disbursed locally was made clear in good time, with robust guidance from Government.

Consequently, we have concluded that continuing to provide funding via the welfare system, together with a robust oversight regime, is the better option. This means we will not proceed with the grant model for short-term accommodation.

### **Next Steps**

We will maintain Housing Benefit for all supported housing, reflecting the needs of the vulnerable people who rely on it and the need for continued supply across the sector.

We are determined that oversight of quality and value for money must be achieved across the supported housing sector. Ensuring quality accommodation for vulnerable people whilst spending tax-payers' money correctly is a priority for government. We recognise the level of commitment and high standards demonstrated by most providers in this sector, but we need to ensure standards across the whole sector. We will continue to work with providers, local authorities, membership bodies and resident representatives over the coming months to put together a sound and robust oversight regime. This will cover short-term, long-term and sheltered and extra care accommodation, and will build upon our draft National Statement of Expectation, published last October. Government is fully committed to getting this right.

We have also heard concerns from the sector about how support is funded, and the relationship between support and eligible service charges. We are keen to have a full and clear picture of the important role of housing related support and will therefore undertake a review of that element in order to better understand how housing and support currently fit together.