

**Response to Section 3: Consultation on housing costs for short-term supported accommodation**

**Introduction**

NACCOM, the UK-wide No Accommodation Network, is a long established and respected charity made up of over 40 Full Members providing accommodation and support to asylum seekers and refugees as well as migrants with no recourse to public funds (NRPF) all of whom would otherwise be homeless. We support existing members to grow their capacity, support new schemes to get established, promote best practice within the sector and call for lasting change to the asylum system that leaves people destitute.

Last year our members collectively accommodated 1,907 people who either had nowhere else to live or faced significant obstacles to mainstream housing. Whilst the primary aim of the network is to accommodate destitute asylum seekers, many members are also concerned about the welfare of newly recognised refugees facing homelessness after 'move on'. It is to the accommodation and support needs of this group that we have turned our attention for this consultation response.

Newly recognised refugees face enormous challenges to rebuilding their lives, both because of traumatic experiences in their home country, such as torture, rape, trafficking and imprisonment, and the hostile and complex asylum system that they encounter when they arrive in the UK. As a result, when they get their papers, the process of moving on is not straightforward and all too often, without early intervention and support, can result in homelessness and destitution. This is a devastating outcome for people who have finally had their right to protection recognised, and the implications are wide ranging and costly.

There are two key steps that can be taken to support people at this critical juncture. One is a longer move on period, a change which has been called for years, but is needed more so now than ever to ensure refugees are not disadvantaged under changes such as Universal Credit and the Homelessness Reduction Act. The second is a more holistic approach to accommodation which includes support with integration, and it is this second step that is under threat with the proposed changes to supported housing.

Within our network, eight Full Members offer refugee housing: Open Door North East (Middlesbrough and Stockton), Boaz Trust (Manchester), Action Foundation (Tyne and Wear), Nottingham Arimathea Trust (Nottingham), One Roof (Leicester), Abigail Housing (Leeds), Coventry Refugee and Migrant Centre (Coventry) and Sanctus St Marks (Stoke on Trent). The majority of these providers, all small and local, receive higher rates of housing benefit under the model of 'exempt accommodation' having shown how they provide an intensive housing management service to their clients.

The difference that housing and support makes to refugees is truly life-changing, as a resident of One Roof Leicester explains; *"I lost everything when I left Kenya: my home, my family, my friends. It is hard starting a new life, especially when you don't know the systems, like how to rent a home or what you have to pay. I was very lucky to be told about One Roof, who gave me a warm, safe home that I share... It gives me time to get on my feet... and get the help I need to rebuild my life"*. Meanwhile, a resident of Action Foundation explains; *"I really liked the standard of accommodation and everything was quiet and peaceful in the area where I lived. You helped me access affordable housing and you supported me with so many different things. Most importantly, you've helped me find sustainable accommodation for the future."*

Led by trained staff and volunteers who understand the asylum system, have access to community networks, and can provide guidance and support with practical steps towards integration, our members are providing an exemplary service and meeting a real and growing need. As such, we have given careful consideration to the proposals, and urge ministers that our areas of concern must be addressed properly if the rights and opportunities of vulnerable people- including refugees - are to be put front and centre of any changes.

**Key concerns**

- There is currently no concrete commitment to fund supported housing beyond the life of this Parliament and this leaves providers in a very uncertain and volatile position.
- The proposal adopts a 'one size fits all' approach to a wide range of vulnerable groups without recognising the diversity both in terms of people's needs and existing providers in the sector.
- The emphasis on cost control over value generation is disappointing and frustrating and we are concerned that it could impact the types of services that get commissioned.
- We are concerned about the risk of specialist services being unable to survive due to lack of certainty with funding and inexperience or lack of resource to cope with the tendering process.
- We are equally concerned about the impact of providers being unable to grow their services to meet demand. Both this and the loss of any specialist services would have significant human and economic consequences, especially in the wider context of rising demand for supported housing.<sup>1</sup>
- There are significant areas of uncertainty in the proposals including over what rights tenants would have under the new model and what the impact might be on services around changes to arrangements for local connection. In all this, we are concerned about any loss of agency and rights amongst service users.

### **CONSULTATION RESPONSES (section 3- short term supported housing only)**

#### **Question 1: Do you agree with this definition? No**

The definition presents a 'one size fits all' approach which lacks the nuance required when responding to such a wide range of people and needs, and seems at odds with the line in the Statement of Expectation that 'given the diversity of the sector... a single funding solution is unlikely to work'. In particular, within the groups named in the definition, 'refugees with support needs' are listed in brackets under 'Others'. This seems to reflect a lack of understanding of what refugees' needs might be and the value of supported housing in promoting positive and lasting outcomes.

We have therefore sought below to define what needs a refugee might have and how providers supporting people through this stage of life are meeting these needs:

Since 2012, there has been no formal integration support for refugees granted asylum in the UK (aside from the very recent announcement of the Post Grant Appointment Service)<sup>2</sup>, whilst the process of seeking asylum can be arduous, complex and traumatic. **As such, newly recognised refugees tend to face several issues when they get leave to remain. Needs vary but include language barriers, mental health issues, physical conditions (in some cases exacerbated by lack of access to healthcare during the asylum process), experiences of homelessness and/or detention, poor job prospects (e.g. due to non-transferable qualifications or length of time out of work) and low level understanding of how to apply for and manage mainstream housing, benefits and utilities.**

Early intervention to support newly recognised refugees is critical to prevent destitution and promote integration. Within our network, over 50% of our members accommodated refugees in 2016-17 and many report how, with the right kind of targeted support, refugees can quickly and successfully move on and rebuild their lives.

<sup>1</sup> [http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/NHF\\_shortfall\\_housing\\_FINAL.pdf](http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/NHF_shortfall_housing_FINAL.pdf)

<sup>2</sup> <https://publications.parliament.uk/pa/cm201719/cmselect/cmhaff/551/55102.htm>

Of those refugees accommodated by our members in the last year, around 500 were supported through housing schemes and demand for these schemes was high. The majority of members offering refugee housing access the higher rate of housing benefit through their Local Authority, i.e. 'exempt accommodation'. The local, tailored support that providers offer with this 'top up' has led to many positive outcomes, such as language learning, access to training and employment, new community connections and long-term access to private or social accommodation.

**We believe that supported housing for refugees both prevents homelessness and promotes integration, and should be safeguarded, not sidelined, which is the real danger with this new proposal.**

The definition places more focus on the length of time that someone is receiving support than the nature or quality of the support itself. The issue with this is that the length of time that someone stays in supported housing will vary significantly, and it will not be known when someone arrives how long they will stay. Although most refugees move on from members' services within two years, in some instances this timeframe would serve as a 'cliff edge' and would be an unhelpful distraction for both the resident and provider. This is particularly relevant when considering the lack of social and affordable housing in many areas where refugees are living. This is already an issue because of the wider housing crisis, and to create an arbitrary time limit on top of such existing pressure would do significantly more harm than good.

**The two year time limit is an arbitrary time-frame that could cause real problems for any person-centred provider trying to deliver services on target whilst genuinely meeting needs.**

The definition misses the opportunity to frame supported housing in more positive and meaningful terms. By this we mean consideration of wider factors than simply 'cost control', such as positive outcomes for people and the wider community/economy. Some such benefits are highlighted in the following case study by Action Foundation (one of our members, providing supported housing to refugees in Tyne and Wear):

*'Prior to accessing our support, Mohammad (name changed) had been sleeping on his friend's floor for three months, moving every few nights. During his first meeting with his Housing Support Worker they discussed his immediate support needs and longer-term future goals and a support plan was created. Mohammad received support to access Job Seekers Allowance with his Support Worker accompanying him to appointments which could often be intimidating and confusing for someone unfamiliar with the system and with limited English and where the potential consequences of misunderstandings could be severe (benefit sanctions). Mohammad was also supported to register with a local GP and dentist. As Mohammad's stability increased he was supported to enrol on English classes through our Action Language project and completed an employability course. Together with his Support Worker he created a CV and sent up an email account enabling him to apply for jobs online. Mohammad gained employment in December 2016 which significantly increased his confidence, independence and financial stability. He also enrolled at college where he started to work towards GCSEs in English and Maths. In February, Mohammad's Support Worker started helping him to look for independent accommodation that was appropriate for his needs and his income levels and in April 2017, Mohammad moved out of our supported accommodation to live independently. After being homeless for so long it was hugely fulfilling to see how, with support to access services and increase stability, a previously vulnerable individual can become integrated, confident and independent. Mohammad stated; **"I would just like to thank Action Foundation for giving me all these chances and opportunities. Really I found myself and I am just so happy".***

The emphasis on cost control (both implicit in the definition and throughout the wider proposal) misses the point that preventing homelessness- including through supported housing- makes economic sense. Research carried out for the National Housing Federation last year highlighted cost savings from supported housing, estimated at around £940 per resident per year.<sup>3</sup> Importantly, the same piece of research found that the total

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<sup>3</sup> [http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/NHF\\_shortfall\\_housing\\_FINAL.pdf](http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/NHF_shortfall_housing_FINAL.pdf)

cost to the taxpayer of failing to meet the shortfall in supported housing in 2015/16 alone was ~£361m. Research by Crisis quantified that the cost of rough sleeping for one year was £20,128 per person, compared to £1,426 'with successful intervention'.<sup>4</sup>

**The proposal should adopt a more holistic definition of supported housing that recognises both its current and potential value to the public and to individual residents, including but not limited to cost savings.**

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

We have several concerns about the design of this model and its inability to provide assurances around both cost and delivery of vital services. Core to our concern is the lack of concrete commitment to funding the sector beyond the life of this Parliament. The reference to the 'intention' to ring-fence the funding in the long term is grossly inadequate given the consequences to people and services if it is not met.

Our other related concerns are listed below:

- 1) Tendering is a complex process that often favours larger providers and forces smaller providers to either downsize or redesign their services or face closure. If this were to happen with supported housing, many of the specialist skills that small providers- such as our members- bring would be lost and homelessness would rise as a result of reduced bed spaces and lack of tailored assistance for refugees. Members who currently access the higher rate of housing benefit would be unable to operate in the same way without the enhanced rate, yet many do not feel adequately equipped to bid for a commissioned grant. The consequences of such changes to service users as well as the ripple effect on other services (including healthcare and housing) and the wider community cannot be overstated (see Q.1).
- 2) Even if providers were to be successful in bidding for tenders under this proposed system, they are likely to struggle under a unit cost model, primarily around accurately predicting demand for bed spaces. This is of particular concern to our members because refugees are often transient, as they lack long-term connections. Providers may, if they have underestimated demand, face difficult decisions about the type of support or length of time that people can access services in order to meet costs, all of which would have an impact on the quality of care for service users, and the sustainability of the organisation as a whole. There is also a real risk that provision will stagnate because providers will be unable to develop their work or expand their services. This is also of particular relevance for refugee services, who may not know at the time of submitting a bid if their locality will expand or reduce its allocation of dispersed asylum seekers, which often has a significant impact on the need for refugee services in that area. This is also relevant when considering the requirement on the Local Authority to commit to a five year plan, as it is unclear that there would be any flexibility within such a plan to adjust provision for refugees within that timeframe.
- 3) The suggestion that the model would free providers 'from the administrative burden of managing benefits claims for housing costs and collecting rent' is concerning for a number of reasons. Firstly, it assumes that such a process is an administrative burden rather than an intrinsic part of the service. Contact between residents and staff is a vital component of supported housing and to call it a burden clearly misses the point. Relatedly, members report that they would not anticipate any changes to resource/time allocation under the new system as workers would be working with residents to make claims in other areas so contact would still be ongoing. Finally, it ignores the fact that moving to a grants based model will bring a new administrative and monitoring process that will require new skills

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<sup>4</sup> <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/cost-of-homelessness/>

and new systems, both of which can be difficult for small providers to adapt to quickly and would require extra resources both in terms of time and cost.

- 4) This proposal also implies that a cost-centred model is addressing some omission in the past. In reality, providers already have to consider the way the services operate and address cost pressures, and between the service provider and the Local Authority there is considerable cost pressure to be managed. That is already being done to satisfy the Local Authority on the award of the higher rate. Therefore, the focus on this rather than other things like value generation is in our view misplaced.
- 5) One of the problems with the current model is the 'gap' in funding for support costs on top of housing costs. This can be a problem for providers as it requires additional resource and funding to guarantee delivery. In any changes to the funding model, we would welcome the Government's reassurance that the full package of housing costs plus support costs would be met, to ensure that providers are not expected to find funding from other sources to top up the support cost.

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**Question 3 b) Does the authority (ies) you work with involve you in drawing up such plans?**

All our members are committed to working closely with their Local Authorities where there is resource and opportunity to do so. Examples of engagement include attending multi-agency forums and delivering contracted services (for instance 'Supporting People').

Because members provide good quality, well recognised local services, they are often consulted on the development of strategies. In Leicester this includes the homelessness strategy, whilst in Manchester, the Boaz Trust has been involved in the development of the Homelessness Charter and in planning for the Homelessness Reduction Act.

However, there is a concern amongst members that the move to a new commissioning model may put a strain on their existing relationships by increasing competition and potentially reducing resources. Given this uncertainty, and the work that would be going on up to the point of any transfer we feel the role of providers that have already been instrumental in growing the 'pot' for the Local Authority should be recognised.

**We urge that in the first round of any commissioning process, Local Authorities commit to pre-existing service providers as:**

- **They have proved their worth in the lead up to the transition**
- **They provide excellent services**
- **They are preventing homelessness and offering excellent and structured move-on arrangements to settled accommodation**
- **They have made their case already to the local authorities in question**

As part of their partnership work, members make known the needs of newly recognised refugees in their areas and are committed to continuing to do this- however the model develops- so that the planning process includes refugees and does not see them sidelined. We are however very concerned that the lack of mention of refugees in the Draft Statement of Expectation, as well as having refugees listed under 'other' and in brackets in the definition will by default define the priority that is given to refugees and make it more difficult to make the case for supported housing for this group.

**We call for refugees to be named as a group in the same format as the other named groups, both the definition and in the Statement of Expectation.**

There is also a related concern that some Local Authorities are more proactive than others in providing supported housing for refugees. This already creates a 'postcode lottery' in the number of units made available for exempt accommodation for this purpose across the country. We are concerned that these changes would

make this process more piecemeal, whilst failing to increase the stock of supported housing for newly recognised refugees. This could lead to more homelessness and destitution amongst this group.

**We call for clarity on how funding would be distributed under the proposals across the country to ensure fairness and transparency, and ask for more detail on how much of the total pot would be made available for so-called ‘short term’ providers. We also call on the Government to commit that no changes to the funding model would result in reduced access to housing for any of the named groups, including refugees with additional needs.**

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**c) How would the Supported Housing plan fit with other plans or strategies (homelessness, domestic abuse, drugs strategies, Local Strategic Needs Assessments)?**

We cannot comment on this as our members have not been involved in developing Supported Housing plans. However it would make sense that Local Authorities engage with Strategic Migration Partnerships in the process of developing their housing and homelessness plans, and needs assessments, as the number of asylum seekers being dispersed to an area will have a bearing on the number of newly recognised refugees.

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

**Yes, both**

Providers working with local authorities already provide detailed reports on outcomes achieved and numbers supported, and our members could provide assessments of provision as required. However, recognition needs to be given that the voluntary sector does not have the same level of infrastructure of Local Authorities to monitor service provision so any costs for this in any changes would need to be allowed for in commissioning services without the assumption that they would be absorbed by the organisation.

**It is important to have confidence that needs assessments would be used to protect and where appropriate expand housing for refugees, and it is also be important to know that the process of carrying out and updating such assessments would be properly resourced.**

Whilst members would be willing to provide assessments of demand for their services, and do have this knowledge to an extent, we have serious concerns about the risks under this model in relation to assessing longer term demand. Forecasting bedspaces will be much more complex than the current system, and could cause serious problems if the projected demand was either too high or too low.

**We call for more clarity on how much flexibility there would be around funding allocations for bed spaces if demand changes, as per our response in Q.2.**

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**All – is the needs assessment as described in the National Statement of Expectation achievable?**

**c) Please comment**

Without knowing how much funding would be made available to the Local Authorities to commission ‘short term’ services it is not possible to know whether it is achievable or not.

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*In two-tier local authority areas the grant will be allocated to the upper tier, to fund provision as agreed with districts in line with the Strategic Plan. Grant conditions will also require the upper tier to develop this plan in cooperation with district authorities and relevant partners.*

**Question 5: Do you agree with this approach? Please comment.**

No comment

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**Question 6: The draft National Statement of Expectation 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.**

- **The National Statement of Expectation should include the same groups as are referenced in the initial definition. It currently excludes refugees and vulnerable war veterans and this is very concerning.**
  - **The level of expectation on local authorities and providers is vast, and delivery is unrealistic without additional resource. Under the proposal it is unclear whether there will be additional resource, so we call for greater clarity on how commissioning costs will be funded.**
  - **One key area of uncertainty from the text is how tenants would be legally defined under the new model (if they are no longer paying rent). We do not want to see the rights of people living in supported housing reduced in any way and urge the government to commit to this.**
  - **We welcome the recommendation that ‘in commissioning short-term supported accommodation from providers, local authorities should consider the support and housing elements of the service’ but believe the overall tone is too focused on costs and not on the quality and scalability of services to safeguard and improve lives. This needs to be addressed if the supported housing sector can have any confidence in the Government’s commitment to fully resource the service in the future.**
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**Question 7: Do you currently have arrangements in place on providing for those with no local connection?**

Members have different arrangements on this issue. Some offer bed spaces to people without a local connection because they receive funding for their space through Housing Benefit which is not connected. Others work with local or regional providers to house people for a matter of weeks or months before they come to their longer-term accommodation (i.e. once they have established a local connection). There is also difference between some areas accepting residents of supported housing properties for social housing at the end of their supported tenancy, whilst in other areas this can be more problematic.

**By changing the funding pathway for supported housing, there would be a real risk that people with no local connection could be further disadvantaged than they are currently. We call for the Government to clarify the role of Local Authorities under this proposal further, i.e establishing whether their duty is to accommodate people or provide advice.**

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**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?**

Under the current model such alignment is provided by member organisations who serve as both landlord and support provider. Involving the local authorities in the commissioning of the service creates a new level of bureaucracy with little indication of overall improvement in services.

**We urge the Government to pilot any models to clarify the process and make clear how different services will be impacted.**

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

Whenever any changes are rolled out, our primary concern remains around the security of funding for services beyond the life of this Parliament.

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

We believe if a new model is to be introduced, it must be piloted properly, with involvement of stakeholders in the local area, and the publication of a full evaluation at the end.

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

We need to see more detail on how much funding will be available to Local Authorities under these proposals and how this would be allocated. We are concerned that the demand for supported housing is already not being met and need significantly more assurance that any changes to the model will result in more availability of securely funded and fairly allocated housing in the future.

- We are concerned that the proposed changes would create real risks for small service providers doing important work, both around growth and sustainability. We call for more assurance that support for refugees will be safeguarded under these new proposals and that small providers will not be ‘squeezed out’ in any commissioning processes.
- We urge the government, in light of its recent commitment around move on support, to provide assurance of support for refugees, both in these proposals (by naming refugees as a service group in the definition and in the Statement of Expectation) and within its wider integration strategy.

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