

# Supported Lodgings Business Case

2018



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Investing in a Smart, Sustainable and Inclusive Future

Shelter  
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*Loreburn Housing Association*  
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# Executive Summary

In a unique partnership, Shelter Scotland and The Institute for Social Policy, Housing, Equalities Research (I-SPHERE) at Heriot-Watt University set out to explore whether a medium-long term community hosting model – Supported Lodgings – could be used more widely as an accommodation offer for young people facing homelessness in Scotland. This work is an opportunity to examine the potential of Supported Lodgings as an additional option for young people and make the findings available to the sector.

More than 7,000 people in Scotland between the ages of 16 to 24 were assessed as unintentionally homeless during the year 2016-17. At 27% of all assessments, youth homelessness is disproportionately high compared to the general homeless population.

The current response for young people is inconsistent and use of adult hostels and bed and breakfast accommodation continues where there is no availability of housing specifically for young people. Local authorities are working to improve the situation but are faced with budget restrictions, the impact of welfare reform and temporary accommodation that is expensive and often in short supply.

The Scottish Government is actively seeking responses to tackle homelessness in Scotland including measures to improve temporary accommodation through the Homelessness and Rough Sleeping Action Group.

Reform measures have impacted on the private rental housing market. Benefits to support housing costs are restricted for those under 35. At the same time, rental values are increasing, particularly in areas of pressured housing markets, and it can be difficult to find shared properties that are affordable from benefits. Private landlords are also becoming increasingly unwilling to rent for temporary accommodation.

Community hosting models are being used successfully to provide accommodation for people with a range of support needs. One of these models, Supported Lodgings, is aimed at young people leaving care or facing homelessness. A 'host' household with a spare room is supported to offer the room to a 'lodger'. The host provides support with independent living skills and emotional well-being and receives a support allowance in return.

There are currently 28 Supported Lodgings schemes in operation in Scotland, primarily aimed at care leavers. The model uses existing housing stock and has the potential to alleviate pressure on temporary accommodation and encourage a community response to homelessness.

This study explores the potential for Supported Lodgings to be offered more widely to extend options for young people at a point of crisis. Research work carried out by Heriot-Watt University has gathered the views of existing practitioners, experts from the housing or homelessness sector, young people with experience of Supported Lodgings or homelessness and adults who have been Supported Lodgings hosts.

The research found that practitioners and young people with experience of Supported Lodgings are generally positive about the model and the outcomes achieved. The research also provided several best practice considerations. The stability and one-to-one contact provides a good base for young people to engage with or sustain education, training and employment. The advantage of having another 'option' is universally accepted.

Existing schemes have been developed by local providers in response to need, there is little or no standardisation or sharing of resources. Funding for Supported Lodgings has evolved

in a scattergun approach largely based on negotiations with local authority departments supplemented by occasional grant funding and benefits contributions. The lack of consistency continues in relation to fees paid to hosts.

Additional barriers to widespread use were found to be the lack of recognition of the model leading to an aversion to risk for both hosts and young people with additional challenges in negotiating legal and regulatory frameworks. The time and cost involved in setting up a new scheme is onerous and presented another difficulty.

There are a number of positive drivers for the use of Supported Lodgings: to provide safe accommodation, to provide a short-term respite and minimise the risk of crisis, to promote independence and self-reliance and as a means to increase the supply of temporary accommodation with no capital cost or reduction in settled housing stock.

This report sets out a model for a well-managed scheme designed around the needs of young people, and three options for implementation are outlined. We propose two key tasks for taking Supported Lodgings forward and enable it to flourish on a wider scale in Scotland: development of a centralised national level support service and pilot of the scaled-up model in one rural and one urban based location.

The principal tasks of the national level hub will be to support local service delivery, develop common resources and disseminate best practice to build overall capacity of the sector and identify funding mechanisms. It is recommended that the service is established with an initial five-year lifetime. The annual cost of this service will range from £226,000 to £245,000 over a five-year period, with start-up costs of £45,000.

Two pilot schemes will enable testing of the model. An evaluation will enable the assessment of impact and feedback learning on delivery to the sector. The annual cost of running a small-scale service will be approximately £219,500. The combined weekly cost per placement is estimated as £211, economies of scale achieved through a larger scheme will reduce this to £174 per week.


The research and the business case present a strong case that Supported Lodgings is a viable, attractive option compared to alternatives, highly effective, affordable model for supporting young people who are homeless that is tried and tested and can deliver strong outcomes for all involved.

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‘  
the key feature,  
for me, is that it’s  
not institutional,  
it’s **family based**.

# 1. Introduction

## 1.1 Background

More than 7,000 young people are assessed as homeless each year in Scotland and the availability of suitable places to house them is limited. The approach to provision of temporary accommodation, including dedicated units for young people, is determined by individual local authorities and as a result varies greatly across Scotland. When capacity in dedicated units has been reached, generic homeless accommodation is used bringing inherent risk to already vulnerable young people. In areas where the housing market is pressured, temporary accommodation is costly and availability in the social sector competes with the supply of permanent housing. At the same time, welfare benefits for young people are being squeezed making affordability of housing a real issue.

Throughout the UK, community hosting models are being used to provide accommodation and support to people unable to live independently. There are several established schemes that aim to help young people with their transition to independence. In Scotland, these work primarily with young people who have been in care but in other parts of the UK there are examples of services aimed at care leavers and young homeless people. Despite reports of positive outcomes for the young people involved, existing services are scattered and relatively small scale<sup>1</sup>.

In a unique partnership, Shelter Scotland and The Institute for Social Policy, Housing, Equalities Research (I-SPHERE) at Heriot-Watt University set out to explore whether a medium-long term community hosting model – Supported Lodgings – could be used more widely as an accommodation offer for young people facing homelessness in Scotland.

Shelter Scotland works for the rights of homeless people and campaigns so that everyone has a safe, secure and affordable home. We value work with partners and aim to involve service users in the planning and delivery of our services. To achieve these aims we will assume the risk of pioneering new services and approaches to reach the most vulnerable and work with them to end their homelessness. This work is an opportunity to examine the potential of Supported Lodgings as an additional option for young people and make the findings available to the sector.

## 1.2 Scope and aims of study

Small scale Supported Lodgings to accommodate care leavers have operated in Scotland for as long as twenty years, yet it has been rarely offered to other vulnerable young people. We wanted to understand why this was the case and to assess the feasibility of operation at scale for a wider group, particularly those that are homeless or facing homelessness. To understand the operational context: we looked at trends in youth homelessness in Scotland, the legislative framework and local policy responses impacting on it. We consulted a wide range of stakeholders working in the sector: including local authority housing officers, social work teams, organisations delivering other community hosting and working with homeless or vulnerable young people. We also wanted to learn from the experience of existing practitioners to understand the potential and challenges of the model. Researchers from Heriot-Watt University conducted a series of focus groups and in-depth interviews with key stakeholders: including young homeless people, those with experience of hosting, potential

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<sup>1</sup> A 2008 review (Holmes, J, CLG, Making a difference: Supported lodgings as a housing option for young people) looked at services in 17 local authorities in England. Most of these had 25 places or less.



hosts and professionals. The results of their research are presented in an independent report, *Supported Lodgings: Exploring the feasibility of long-term community hosting as a response to youth homelessness in Scotland* and is available on the I-SPHERE or Shelter Scotland websites. On the basis of the findings, we have developed a business plan and proposals for a pilot scheme for Supported Lodgings which are presented in this report.

### 1.3 Terminology

A variety of terms are used when referring to Supported Lodgings schemes. In this report we have used:

**Service provider or management agency:** the organisation responsible for setting up and running the scheme

**Host:** the person providing the Supported Lodgings place in their home.



‘  
on occasions we  
don’t have any  
option but to put  
**young people**  
into adult hostel  
accommodation,  
it doesn’t sit well.

## 2. Background and Context

### 2.1 Youth Homelessness in Scotland

7,213 people in Scotland between the ages of 16 and 24 were assessed as unintentionally homeless during the year 2016-17<sup>2</sup>. This figure has halved over the last 10 years, following the trend of the general decline in homelessness, although the rate of change has levelled off in the last four years. This sounds like good news, however at 27% of all assessments, youth homelessness is disproportionately high compared to the general population. 15 out of every 1,000 under 25s in Scotland made a homeless application in 2016-17, compared to 9.4 in every 1,000 aged 25-59.

Some of the recent decline is attributed to the introduction of Housing Options as a preventative approach, however it is unlikely that it will continue to lead to further large reductions<sup>3</sup>. Number of people getting Housing Options advice have been consistently higher than those assessed as homeless. So the numbers of young people seeking Housing Options advice perhaps better reflects the extent of young people needing help with housing. There were 11,634 presentations for Housing Options advice from young people in 2016-17, (Figure 1) and 46% of the 21,145 people contacting the Shelter Scotland housing advice and support services in 2016-17 service were aged 16-24.

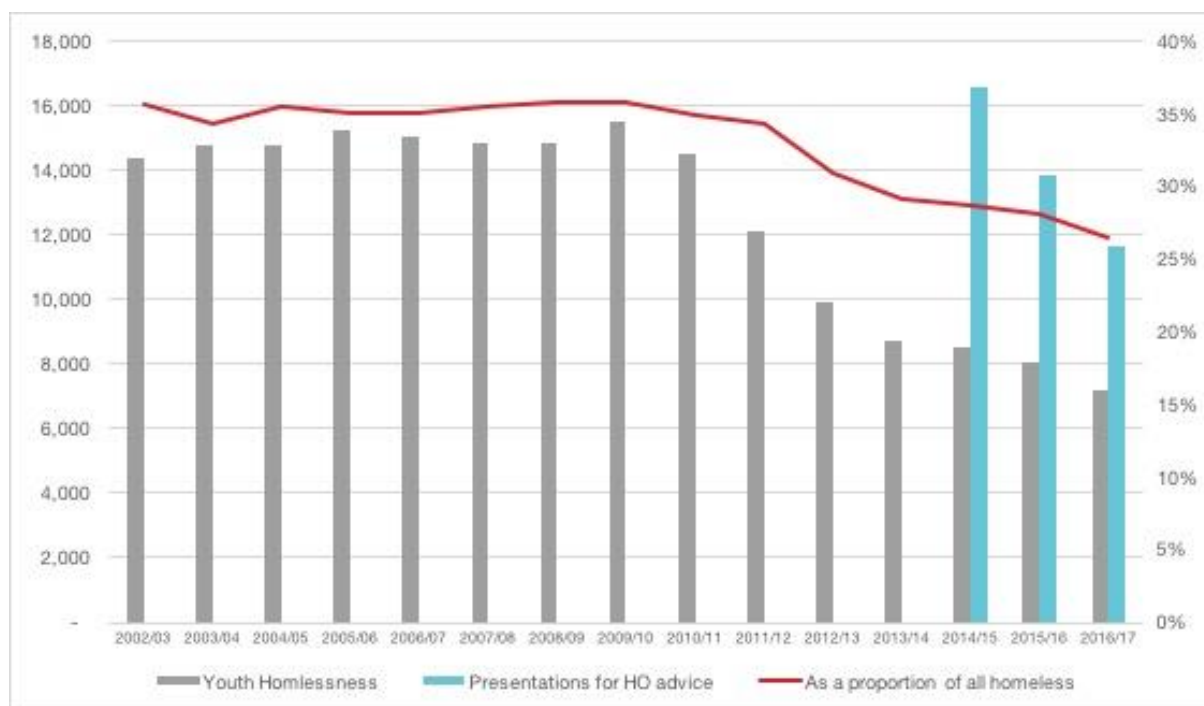


Figure 1: Trend in youth homelessness and young people applying for Housing Options

The highest numbers of homeless young people were in the largest cities, Edinburgh and Glasgow (720 and 840 respectively), whereas the regions with the highest rates of youth homelessness were in the areas around these cities – West Dunbartonshire, East and West Lothian, and Clackmannanshire.

<sup>2</sup> Scottish Government, Homelessness in Scotland: 2016-17, <http://www.gov.scot/Publications/2017/06/8907/downloads>

<sup>3</sup> Shelter Scotland, Getting Behind the Statistics, 2018



More than half (53%) of the under 25s assessed as homeless were female. The majority 61% (nearly two thirds) had been living with parents, friends or relatives immediately prior to becoming homeless. The most frequent reasons given for young people becoming homeless were 'disputes and relationship breakdown' within the household (30%) and being 'asked to leave' (38%). The proportion giving 'asked to leave' as the reason for their homelessness is noticeably high amongst young people compared to the general homeless population (typically 25%).

The introduction of a housing support duty in 2013 has given rise to an obligation for local authorities to assess whether a homeless household has any support needs and provide the appropriate support. Homelessness assessment data reveals that an increasing proportion of young people have an identified support need (42% in 2016-17) and, of these, 66% have an identified need for support with basic housing management/independent living skills.

Perhaps of greater concern is that more than a third of those identified have a support need in relation to a mental health problem<sup>4</sup>. 10% of young homeless people have been assessed as having two or more support needs and, consequently, are considered to have multiple and complex needs. Providing suitable and sustainable accommodation for this group is a challenge given the high level of support required and difficulty in independently managing a tenancy<sup>5</sup>.

## 2.2 Current accommodation options for young people assessed as homeless

With the exception of care leavers, young people in Scotland are not afforded any legal 'privileges' when assessed as homeless and will go through the same system as adults.

If they've got nowhere to go, then we would try to avoid putting them in adult accommodation at all costs, but there have been times when we've had to do that. I do think, obviously, the Supported Lodgings model would give them a bit more stability in the long-term

– Scotland Statutory Sector

However, there is a general recognition that staying in inappropriate general adult homeless accommodation can have a negative impact on young people exposing them to negative peer pressure and bullying. Depaul UK's recent report *Danger Zones and Stepping Stone: Phase Two*<sup>6</sup> showed that 55% of young people involved in the research have experienced some form of harm while in temporary accommodation.

There is a tendency to disengage from participation in education and employment and, for those who are working, the reduction of benefit payments as other income increases provides a further disincentive.

Once people are caught up in the homelessness service, then other things can happen which are not the intention or the interest in people, but they just can happen just because if you have young people with older adults

– Scotland Statutory Sector

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<sup>4</sup> Scottish Government, Youth Homelessness Statistics 2016-17, 2017

<sup>5</sup> Shelter Scotland, *Getting Behind the Statistics* – update for 2016-17, 2018

<sup>6</sup> Depaul UK, *Danger Zones and Stepping Stones: Phase Two*, 2018

There is usually some local authority provision of temporary accommodation specifically for young people. Typically, these are hostels, supported accommodation in the form of shared flats or bedsits in a communal building, some with sleep-in support, and single flats. The extent and form varies considerably and units may be operated by the authority or third sector organisation or a mix of the two with variable levels of support.

A common theme amongst the local authorities contacted is a shortage of suitable temporary accommodation with no guarantee of the availability of places on any particular day. This leads to placing young people in adult emergency homeless or bed & breakfast (B&Bs) accommodation with some authorities reporting an over-reliance on the use of B&Bs. Although official records show a steady decline in the use of B&Bs since 2010, in 2016-17 10% (758) of all young people aged 24 or below reported being housed in a B&B at some point during their homeless application.

Despite the fall in official homelessness there has been no corresponding decline in the overall number of households in temporary accommodation (over 10,800 in March 2017). The average length of stay for households in temporary accommodation has increased, up from 18 weeks in 2014 to 24 weeks in 2015-16.<sup>7</sup> Data on the use of temporary accommodation for 16-24 year olds assessed as homeless or threatened with homelessness was obtained from the Scottish Government<sup>8</sup>. Table 1 shows the number of placements of 16-24 year olds whose case was closed during 2016-17, in different types of temporary accommodation.

Type of accommodation	No. of placements	% of placements
Local Authority/Housing Association stock	2,160	40
Hostel	1,755	33
Bed & Breakfast	670	13
Other <sup>1</sup>	755	14
Total applicants taking up temporary accommodation <sup>2</sup>	4,165	100
Total recorded temporary accommodation placements	5,340	

Table 1: Use of temporary accommodation in Scotland for 16-24 year olds, 2016-17

1. Includes Women's Refuge, Private Sector Lease and other local authority placements.

2. Multiple accommodation types can be selected by applicants.

Temporary accommodation is the largest proportion of spend in local authority homeless services with spend depending on demand, the degree of pressure in the local housing market and type of accommodation used<sup>9</sup>. One local authority reported a cost of £25,000 to put a person through temporary accommodation.

## 2.3 Challenges with Current Accommodation Options

<sup>7</sup> Shelter Scotland, The use of temporary accommodation in Scotland, 2017

<sup>8</sup> HL1 master data set as at 23rd May 2017 in Watts & Blenkinsop, Supported Lodgings: Exploring the feasibility of community hosting as a response to youth homelessness in Scotland HL1 master data set as at 23rd May 2017

<sup>9</sup> Anna Evans, Funding Homeless Services in Scotland, for Shelter Scotland, 2016

Current options for young people include supported accommodation, other temporary accommodation or living alone which might not suit the choices that a young person might want to make. Diverse accommodation options are desirable to ensure the needs of a range of young people can be met.

Equally some young people and professionals think these other options are not right for young people for a range of reasons. For example, too many young people in Scotland are accommodated in temporary accommodation which is unsuitable such as Bed & Breakfasts and poor-quality hostels.

Some of the existing options for young people in the homelessness system are inflexible, lack individualised support and are expensive. Supported Lodgings offers a clear alternative that can be flexible, offer support and through leveraging community assets lower the overall costs. Temporary accommodation can often be expensive to develop and operate where Supported Lodgings has a lower overall cost.

For those young people who are or might struggle sustaining their first tenancy, Supported Lodgings offer a non-institutional home-like accommodation which can better support their overall needs and deliver long-term benefits.

The nature of the service being non-institutional and offering a blend of informal support from the host alongside professional and specialist support from the provider supports the young person to achieve a wide range of outcomes as identified in the research. This includes emotional wellbeing and confidence, basic life skills and household management, employment, education and training, and move-on accommodation, and can facilitate a strengths-based orientation in support provision.

## **2.4 The experience of young people leaving care**

In 2016 there were over 15,000 children looked after by local authorities in Scotland, about 1.5% of the age group. The largest proportion, around 35%, are in foster care. The outcomes for people with experience of care are poor in virtually all respects: educational attainment, employment, health, criminal record, homelessness and life expectancy.

Scottish Government homelessness statistics show that in 2016-17, 4% of all households (1,357)<sup>10</sup> making a homeless application included 16-24 year olds with experience of being looked after though this may not be reflective of the true figure due to a reluctance to disclose the fact. The link between a history of care and homelessness is not always manifested at the point of leaving care. In a sample of 261 people in 2010, 25% of those who were homeless had been in care at some point in their lives.<sup>11</sup>

It's not young people coming directly from care that make up the homelessness population, but it is about down the line

- Scotland Statutory Sector

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<sup>10</sup> Scottish Government, Youth Homelessness Statistics 2016-17, 2017

<sup>11</sup> Crisis, The Hidden Truth about Homelessness, 2011,  
[https://www.crisis.org.uk/media/236816/the\\_hidden\\_truth\\_about\\_homelessness\\_es.pdf](https://www.crisis.org.uk/media/236816/the_hidden_truth_about_homelessness_es.pdf)



Looked after children are less likely to go on to positive destinations than all school leavers (77% compared to 93%), particularly higher education (4% compared to 39%)<sup>12</sup> - partially associated with a lower age at leaving school. They are also less likely to sustain a placement in a positive destination or in further education and one third of young offenders have been in care at some point in their lives.<sup>13</sup>

The difficulties faced by those with experience of being looked after has been increasingly recognised and there is evidence of a particular vulnerability during the transition period between care and independence<sup>14</sup>. In response, legislation has strengthened the duty of local authorities to prepare young people for leaving care and to provide advice, guidance and assistance through aftercare<sup>15</sup> services, potentially up to the age of 25<sup>16</sup>. There is a duty to assess any eligible needs during this period and to provide financial support to meet essential accommodation and maintenance costs<sup>17</sup>. One of the underlying principles is that young people benefit from an array of practical skills and supportive networks when making the transition to adult life<sup>18</sup>.

The option to stay on in the same accommodation and continue to receive assistance beyond the age of leaving care was established under 'Continuing Care' provisions in the 2014 Children and Young People (Scotland) Act. This introduced a more flexible approach to the time of leaving care based on readiness and aimed to give care leavers more parity with average age of leaving home in Scotland - around 25 years compared to care leavers at 16-18 years. It opened the possibility for a young person to elect to stay with a former foster parent by changing the placement from fostering to 'supported care' or 'Supported Lodgings'. About 1,300 young people aged 16 or over cease to be looked after each year in Scotland; in 2016-17, 111 of these stayed with former foster carers under Continuing Care arrangements<sup>19</sup>.

## 2.5 Programme for Government 2017-18

Despite cuts in the welfare budget imposed by Westminster, the Scottish Government's Programme for Government 2017-18<sup>20</sup> refers to a 'renewed mission to tackle the deep-seated and intractable challenges of homelessness, rough sleeping and drug use'.

In the autumn of 2017, the Homelessness and Rough Sleeping Action Group was set up to identify actions and legislation that will lead to an end to rough sleeping and 'transform the use of temporary accommodation'. The initiative is supported by a £50 million fund 'Ending Homelessness Together' to drive forward change and pilot new ideas to address homelessness.

The group published its final recommendations in June 2018<sup>21</sup>. This identified a number of recommendations based on the group's interim reports:

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<sup>12</sup> Scottish Government, *Education outcomes for looked after children 2014/15*. 2016, Scottish Government: Edinburgh.

<sup>13</sup> The life chances of young people in Scotland: an evidence review for the First Minister's Independent Advisor on Poverty and Inequality, Scottish Government, 2017 <http://www.gov.scot/Resource/0052/00522057.pdf>

<sup>14</sup> Staying Put Scotland: Providing care leavers with connectedness and belonging. 2013, Scottish Government

<sup>15</sup> Children (Scotland) Act 1995, Section 29.

<sup>16</sup> The age was extended to 26 in the Children and Young People (Scotland) Act 2014

<sup>17</sup> THE AFTERCARE (ELIGIBLE NEEDS) (SCOTLAND) ORDER 2015

<sup>18</sup> Staying Put Scotland Guidance to local authorities

<sup>19</sup> Scottish Government, Children's Social Work Statistics 2016-17. <http://www.gov.scot/Publications/2018/03/6242/downloads>

<sup>20</sup> The Government's Programme for Scotland 2017-2018

<sup>21</sup> Homelessness and Rough Sleeping Action Group, Final Recommendations Report, June 2018

**Recommendation 10:** Rapid Rehousing Transition Plans, as recommended by HRSAG in their report on ending rough sleeping and Local Housing Strategies should include the planning and development of pathways and a range of affordable housing options and associated supports for young people, including enabling sharing and community hosting options (e.g. Supported Lodgings).

## 2.6 Welfare reform, changes to benefit and impact on youth homelessness

Housing benefit (HB) was traditionally intended as a safety net for those struggling to cover housing costs and played an important role in preventing homelessness. Recent reforms to the UK welfare system have increased the likelihood that housing benefit, or the housing cost element of Universal Credit, may not cover the actual cost of housing. Of relevance to young people has been the introduction of a Local Housing Allowance (LHA) that fixes the rate of housing benefit for those in private rented accommodation. The rate sets a lower rate of benefit for under 35s. A policy to remove the automatic right to support for housing costs for new Universal Credit claimants aged 18-21 was under implementation until March 2018 when the UK government announced an intention to repeal this change in regulations<sup>22</sup>. A date for implementation of this repeal has yet to be published.

The Scottish Government has responded by introducing measures to mitigate the impact of some of the changes. Discretionary Housing Payments are administered by local authorities, and the Scottish Government increased their budget initially to counteract the impact of the bedroom tax, but from 2017 the payments were extended to include mitigation of the benefit cap and changes to Local Housing Allowances<sup>23</sup>.

Further changes to the welfare system are underway with the devolution of some benefits to Scotland and the establishment of Social Security Scotland. This will enable a new approach to be taken replacing the introduction of a series of mitigation policies and should result in improved clarity. However, navigating the benefits system is already a complex process and, in the short-term, further change is only likely to add to the difficulty. The approach taken so far in the creation of Social Security Scotland would indicate a more human rights-based approach with a focus on supporting people. This could create a space for innovations to support the growth of Supported Lodgings as a response to youth homelessness.

Reform to housing benefit has also had an impact on the rental housing market itself. In 2013, the method of calculating Local Housing Allowance changed and is no longer related to actual market rates. This, alongside increasing rental values particularly in areas of pressured housing markets, has led to landlords becoming increasingly unwilling to rent out property to housing benefit recipients. In many areas it can now be difficult to find shared rentals within the Shared Accommodation Rate<sup>24</sup>. At the same time, despite the decline in homeless assessments, pressure on the housing market has led to an increase in the use of temporary accommodation. In response many local authorities are reviewing their temporary accommodation provision to achieve a better fit between demand and the type and size of units available<sup>25</sup> and adjusting cost profiles in the light of benefits reform. Where housing supply is limited this has led to reallocating social sector stock as temporary

<sup>22</sup> DWP, Welfare Reform: Written statement - HCWS611, March 2018.

<sup>23</sup> Scottish Government, Welfare Reform (Further Provision) (Scotland) Act 2012 - Annual Report - 2017

<sup>24</sup> Shelter Scotland, Getting Behind the Statistics – update for 2016-17, 2018

<sup>25</sup> Scottish Parliament Local Government and Communities Committee, Report on Homelessness, 2018

accommodation with consequent impact on the supply of move-on accommodation, adding to the bottleneck in temporary accommodation.<sup>26</sup>

## 2.7 Community hosting models

Community hosting is based on the principle of a private household with a spare room offering accommodation to a person. The 'lodger' is integrated into the household with the host providing additional support according to need. In most cases the host receives rent and an allowance for the care provided. There are a range of models of community hosting as outlined in the accompanying research report. We have focused on Supported Lodgings.

**Supported Lodgings** provide longer placements normally six months up to two years, for young people. The host will help with practical skills to develop confidence and build the young person's capacity for independent living; the stay is often seen as a stepping stone to a first tenancy. Professional support is available to both host and the 'lodger' to support the placement and address any additional support needs of the young person.

Current use of the model is predominantly as an offer to young people leaving care, in some cases under Continuing Care arrangements. Many schemes are run by local authority social work teams as part of their duty to provide support and accommodation to care leavers and as such are fully funded placements.

In England and Wales there is greater variety in the management, scope and objectives of services. Those run by the voluntary sector (Barnardo's, YMCA and local church-based organisations) encompass a wider client group of both care leavers and young people facing homelessness. Some have short term emergency accommodation using the Nightstop model alongside longer-term placements and Crashpad, run by Barnardo's in Northumberland, offers a mid-way 4-week stay.

## 2.8 Existing Supported Lodgings services in Scotland

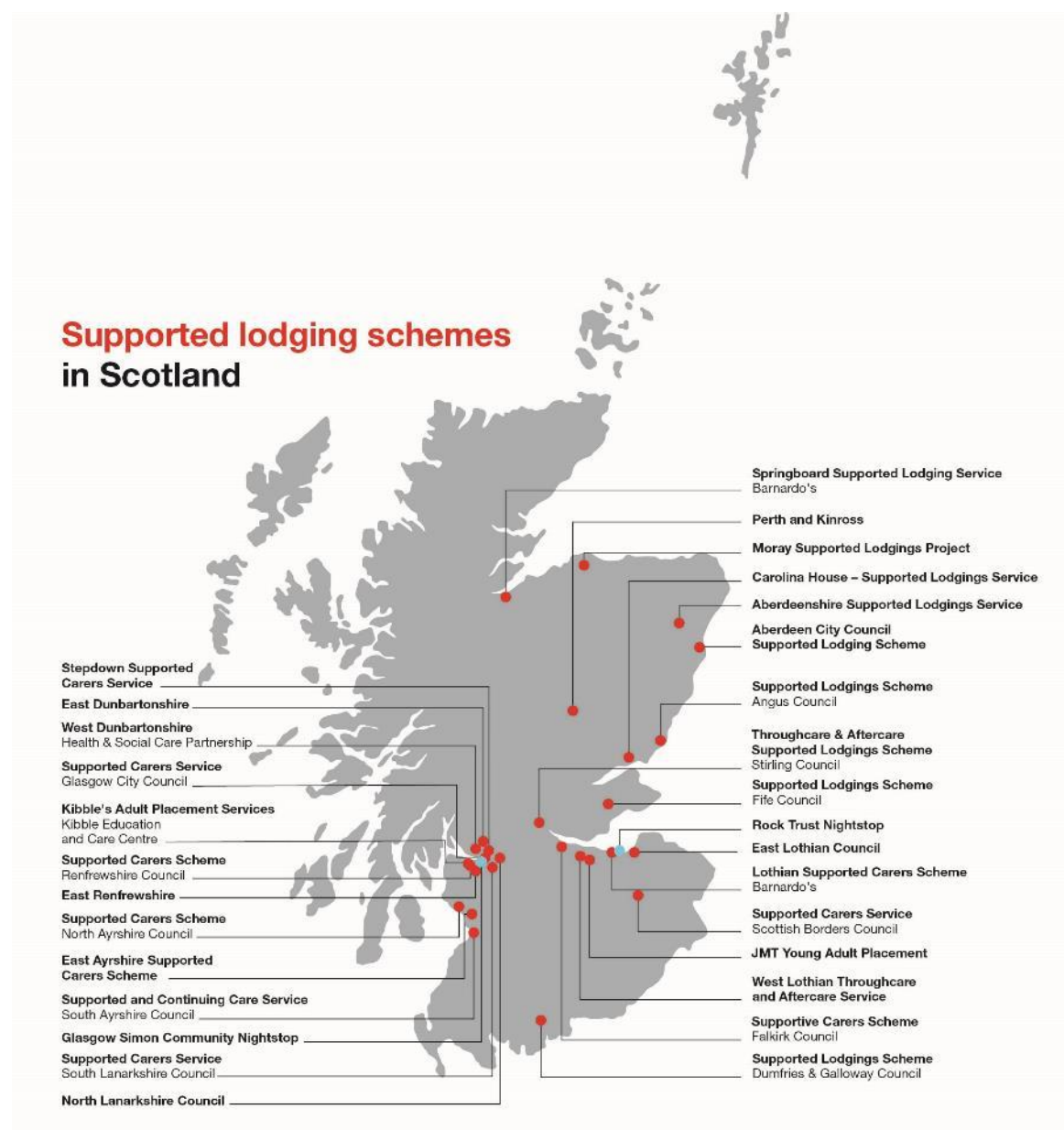
Alongside the research conducted by Heriot-Watt University, we look at the existing schemes in Scotland and attempts to launch new schemes to see what lessons could be drawn.

In Scotland 25 of the 32 local authorities offer some form of Supported Lodgings provision to young care leavers. There are a few instances where places have been offered to unaccompanied minors, those with experience of the youth justice system and other vulnerable young people. With a few exceptions, most notably Glasgow with 140 hosts, services are small providing less than 20 placements. Most schemes are run by social work teams as part of their throughcare and aftercare services but in a few cases the service has been contracted out to third sector organisations. Barnardo's have been running the Lothian Supported Carers Scheme based in Edinburgh and Springboard in Inverness. Figures provided by Scottish Throughcare and Aftercare Forum (STAF) show there are some 270- young people currently in Supported Lodgings and an additional 73 living with former foster carers that have now converted to Supported Lodgings under Continuing Care arrangements.

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<sup>26</sup> Anna Evans, Funding Homeless Services in Scotland, for Shelter Scotland, 2016

These schemes have been setup to meet the needs of care leavers rather than all young people who might be suitable for such a scheme. On one level this should provide a platform for growth and development of these services. However, given how some of the schemes are established, structured and their current scale of operations, this could act as significant institutional barriers to expansion.



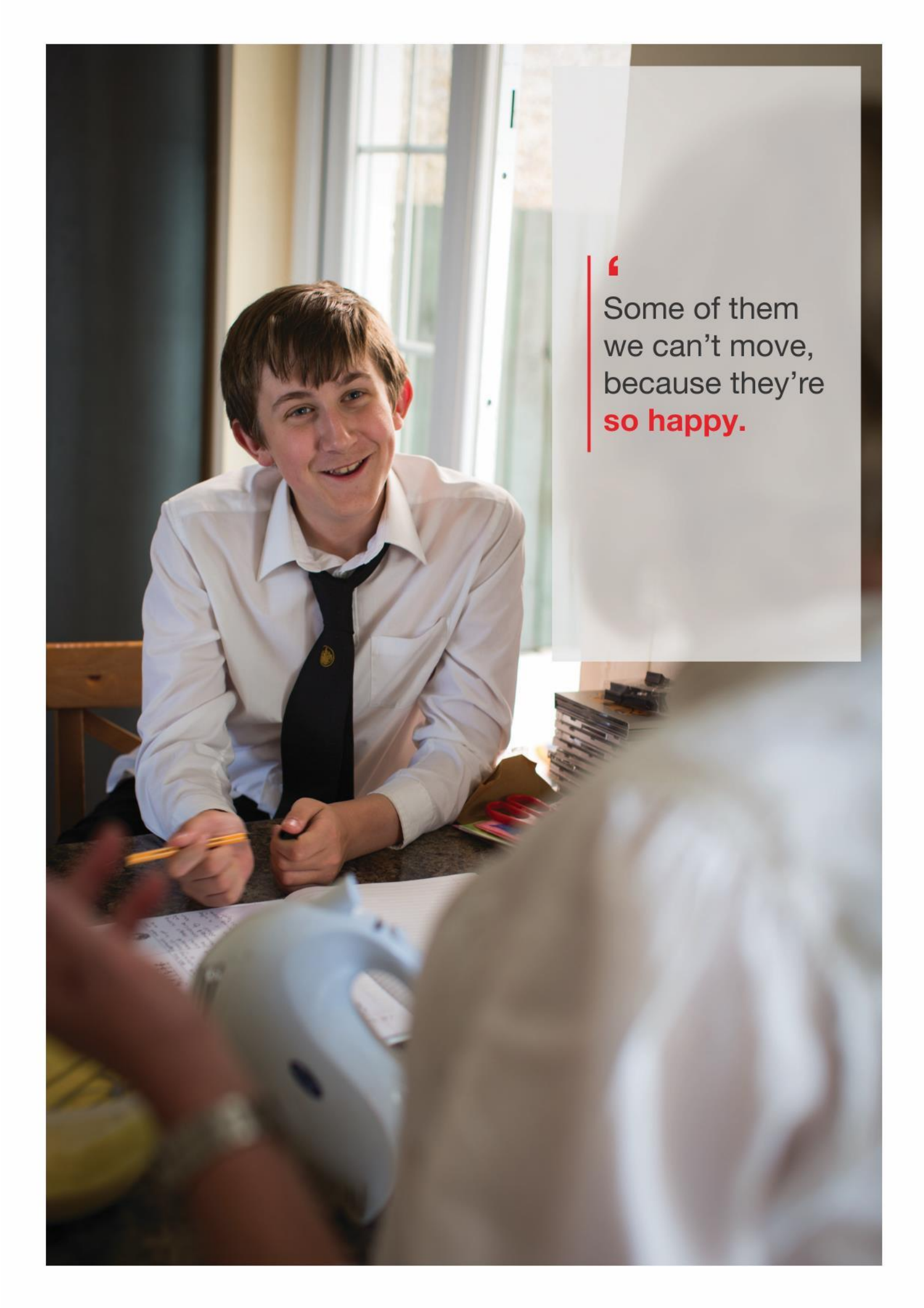
In 2010, Scottish Churches Housing Action (SCHA) conducted a feasibility study on the cost effectiveness and suitability of Supported Lodgings and subsequently worked with Scottish Borders Council to scale up a care leavers Supported Lodgings scheme. Having spoken to key individuals, the scheme did not progress for a range of reasons including sustainable funding at a time the council was seeking to reduce operating costs and the resource needed to develop the scheme at a time when the council was restructuring. These are useful lessons for the sorts of institutional barriers that prohibit schemes from expanding.

## 2.9 Conclusions

Homelessness amongst 16-24 years olds is proportionately high and yet our current response is inconsistent and often not appropriate to the needs of this age group. Local authorities are working to improve their offer but are faced with budget restrictions, the impact of welfare reform and a lack of suitable and affordable housing. The Scottish Government is actively seeking responses to tackle homelessness in Scotland including measures to improve temporary accommodation.

Community hosting models are used successfully to provide accommodation for people with different support needs. In Scotland this includes Supported Lodgings schemes aimed at care leavers. The model uses existing housing stock and alleviating pressure on temporary accommodation and encouraging a community response to homelessness. We set out to explore whether Supported Lodgings can be offered more widely to extend options for young people at a point of crisis and learn through the experience of existing practitioners. A summary of the research is set out in the next section.



A young man with brown hair, wearing a white long-sleeved shirt and a dark tie, is sitting at a desk. He is smiling and looking towards the camera. He is holding a yellow pencil in his right hand and a black pen in his left hand. On the desk, there is a blue stapler, a stack of papers, and some colorful pens. In the foreground, there is a blurred object that looks like a white cup or a piece of paper. The background shows a window with a view of a building outside.

Some of them  
we can't move,  
because they're  
**so happy.**



## 3. Research Findings

### 3.1 Findings from research

Heriot-Watt University and Shelter Scotland came together to work on this project to combine our strengths to look at how Supported Lodgings could be used as a tool to support young people who find themselves homeless. We recognised that there was a need to grow the evidence base about how such schemes can operate and understand their impact and effectiveness; alongside this develop the business models and test these out with local authorities who could be the commissioners of such a service. This would result in strengthening the evidence base for such models and provide insight and analysis through a business case for how Supported Lodgings could be expanded.

The field work undertaken by researchers at Heriot-Watt University as part of this study was comprised of four stages:

- i. A review of available literature
- ii. Interviews with 15 key informants who have expertise in homeless services or running Supported Lodgings schemes. Six of these work in schemes in England. Nine are involved in housing/homelessness services in Scotland in the voluntary sector, for a local authority or at national level or in Supported Lodgings schemes for care leavers.
- iii. Phone interviews with six Supported Lodgings hosts and seven young people who were currently in placements or had recent experience of staying in Supported Lodgings across England and Scotland.
- iv. Focus groups and individual interviews to explore the views of householders who could be potential hosts (15 across Edinburgh, Dundee and Dumfries and Galloway) and 20 young people with experience of homelessness across the same three areas.

The interviews covered a variety of themes and results are presented in full in the accompanying report '*Supported Lodgings: Exploring the feasibility of long-term community hosting as a response to youth homelessness in Scotland*' which is available on the I-SPHERE and Shelter Scotland websites. Some extracts from the research's conclusions are presented below.

#### 3.1.1. Supported Lodgings in Practice

- There is no standard shape or model of these service and they are run in a wide variety of ways.
- They are all based around the recruitment, vetting and training of a diverse pool of householders with a spare room and a willingness to provide a level of support to a young person in need of accommodation.
- There is a matching process and managed introductions between the host and a young person in need of accommodation and support.
- There is ongoing support to hosts to develop their skills and in response to emerging issues.
- The blend of support from the host and scheme staff combined can achieve a range of outcomes from basic life skills to improved emotional well-being and confidence to outcomes around education, employment, training and move-on accommodation.
- Far from being an 'innovative' and risky form of supported accommodation, Supported Lodgings are tried and tested.

- A sizable community of practice is involved in the provision, management and development of Supported Lodgings schemes from which considerable expertise and learning can be derived in attempts to extend provision further.

### **3.1.2. Outcomes and Experience of Supported Lodgings**

- Existing evidence on the effectiveness of Supported Lodgings is limited, but promising.
- Available qualitative research suggests capacity to achieve good outcomes across a range of domains including life skills development, increased self-confidence and wellbeing, and employment, education and training.
- Quantitative analyses comparing the experiences of young people in Supported Lodgings (or other community hosting placements) to those receiving alternative forms of accommodation and support also reach positive conclusions, indicating that young people come to less harm in community hosting environments than congregate-living environments, and achieve better outcomes in Supported Lodgings than in supported housing across all measured domains, and better outcomes than floating support in 7 out of 9 measured domains.
- Considerable evidence on the range of negative impacts living in congregate environments can have on young people.
- Key informants described the home-like environment provided by Supported Lodgings, combined with the blended support offered by hosts and support workers, as providing a uniquely positive and supportive environment within which young people can find security and stability, gain confidence and skills, and pursue wider ambitions.
- Young people who were currently or had recently lived in Supported Lodgings reported primarily positive experiences, describing Supported Lodgings as providing a 'bridge' or 'stepping stone' to adulthood, enabling them to gain the skills, confidence and self-belief to live independently. The negative experiences described by two young people appeared to reflect that the placements they had experienced did not fit the scheme design described by key informants or the practice literature.
- Generally, hosts reported positive experiences of being a host, seeing it as beneficial to the young people they accommodated and supported, remunerated, and highly personally rewarding.

### **3.1.3. Expanding Supported Lodgings provision in Scotland**

- There was a very high degree of support among sector experts for bringing Supported Lodgings to Scotland as an accommodation model for young people at risk of or experiencing homelessness.
- Positivity about the potential role of the model in Scotland reflected a number of factors: its perceived and considerable advantages compared to alternative accommodation options, which are seen to be often unsuitable and even harmful; the unique components of Supported Lodgings, namely its non-institutional, home-like and family-based design seen to offer personalised and flexible support; the potential of this set-up to facilitate and enable a range of positive outcomes for young people spanning mental health and wellbeing, life-skills, education and employment; and its potential contribution to local authorities' corporate priorities and strategic objectives, not least to offer accommodation that is more affordable than alternatives.

- Key informants identified a series of barriers and challenges associated with the potential introduction and growth of Supported Lodgings in Scotland, pertaining to: how such provision would sit alongside the existing legislative framework on homelessness; cultural and attitudinal barriers among both young people and those working in the homelessness sector; and – most crucially – the availability of funding to set-up schemes and fund them on an ongoing basis. All these barriers were seen to be at least potentially surmountable.
- Young people had mixed views on Supported Lodgings.
  - Some not necessarily seeing it as a choice they would make now but viewing it as an option they may have considered in the past, or as suited to some specific groups.
  - Another group were strongly predisposed against the idea of Supported Lodgings, seeing it as a potentially awkward and uncomfortable living situation, unwilling to return to a family environment, and sceptical about the motives of potential hosts.
  - A third group saw Supported Lodgings as a highly desirable option
  - Though young people varied in whether their most preferred accommodation option was an independent tenancy, supported accommodation, or Supported Lodgings, all were of the strong view that Supported Lodgings provided a far better alternative accommodation option than hostels or B&Bs, which were viewed with fear and trepidation.
- Discussions with potential host householders in three areas of Scotland suggests that there is a pool of individuals with spare rooms who are strongly motivated to help young people by providing accommodation and support, and who were not put off by discussions about the practicalities of such schemes and support needs of young people that might be placed with them.
- Discussions did reveal a number of factors that would need to be addressed: the provision of clear information about what being a host involves prior to sign-up; risk assessment and information sharing regarding the support needs and histories of young people referred to hosts; adequate training and support to hosts on an on-going basis, with a particular focus on equipping hosts to deal with mental health issues; and fair remuneration that covers the costs of being a host (including 'less visible' costs) and that does not disadvantage lower income households from participating, but avoids attracting people simply seeking financial gain

### **3.2 Conclusions**

The research report contains the full details of these conclusions however the research can effectively be summarised as:

1. There is a problem to be solved
2. Supported Lodgings is a tried and tested model
3. There is strong sector support
4. It is in line with current direction of public policy

The research combined with the business case have identified that there are barriers to an expansion of Supported Lodgings, however these can be addressed and overcome.





‘  
if we could find  
a healthier, **more  
supportive**  
model than  
B&Bs, I think the  
sector would bite  
our hands off.

## 4. Proposed Supported Lodgings Model

### 4.1 Introduction

Supported Lodgings schemes have been operating in the UK for 20 years and there is significant experience amongst practitioners and a body of evidence to support the basic model. This has been well documented in reports that set out the benefits, good working practice and a rich array of advice on the processes needed to run successful schemes<sup>28</sup>. In this section we have distilled available knowledge, the results of our research and best practice considerations to propose a model of Supported Lodgings suited to wider application in Scotland.

### 4.2 Key drivers for the use of Supported Lodgings

- To meet the needs of young people in providing safe and reliable accommodation in a positive environment.
- To achieve better overall outcomes for young people particularly through sustained engagement in education, training or employment.
- As an early-stage intervention to minimise the risk of crisis, potentially using Supported Lodgings as short-term 'respite' type accommodation.
- To promote independence, build self-esteem and encourage positive pathways for the young people involved.
- To increase the quality and availability of temporary accommodation.
- As a relatively quick means to increase the supply of temporary accommodation with no requirement for new build capital projects or reallocation of settled housing stock.

### 4.3 Service characteristics

The main parties in a Supported Lodgings scheme are:

- the young person
- the host
- service provider – responsible for managing the scheme
- the referral agency

Their roles and relationship pathways are illustrated in Figure 2.

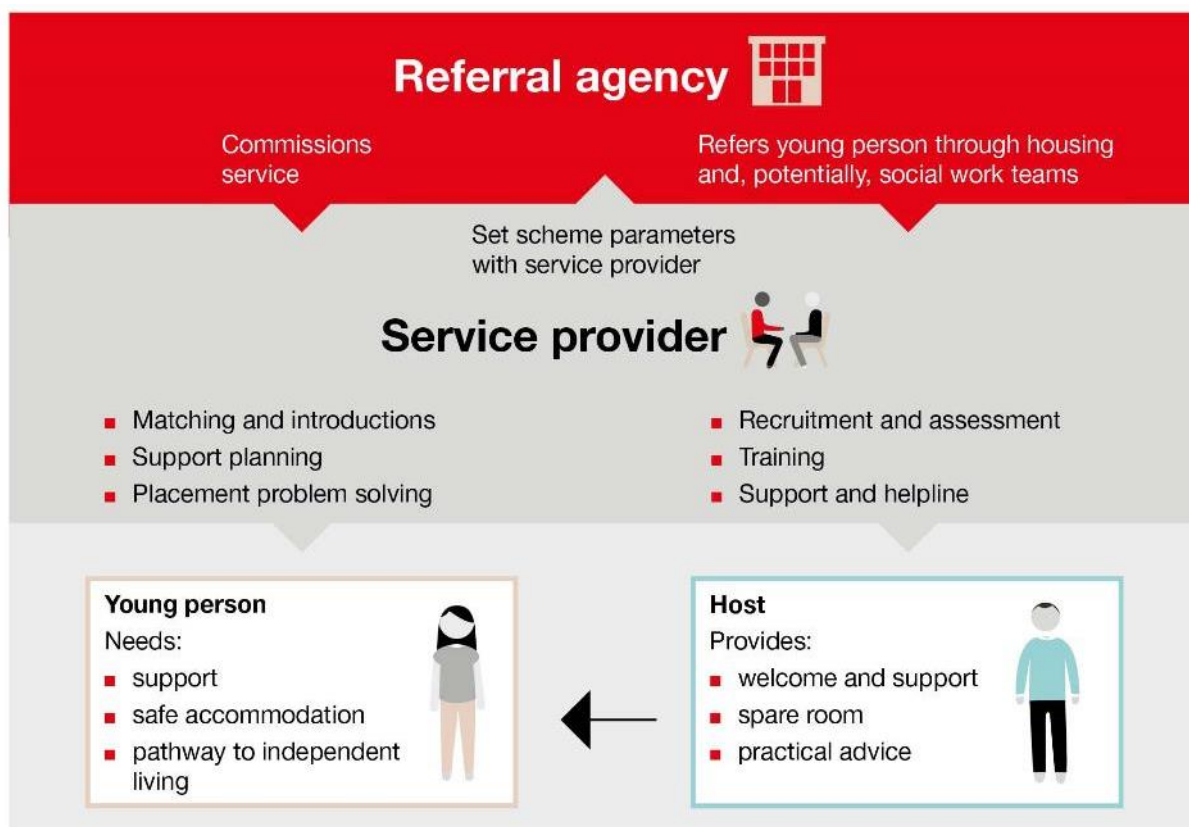


Figure 2: Key relationships in a Supported Lodgings scheme

A well-managed scheme designed around the needs of services users is fundamental to achieving success. The characteristics required to achieve this are set out below.

<b>Target group</b>	<ul style="list-style-type: none"> <li>■ Young people who are homeless or at risk of homelessness</li> <li>■ Young unaccompanied migrants and other vulnerable young people at discretion of the service</li> </ul>
<b>Referrals</b>	<ul style="list-style-type: none"> <li>■ Through housing options, housing &amp; homeless services team</li> </ul>
<b>Length of stay</b>	<ul style="list-style-type: none"> <li>■ Normally up to two years, based on needs of the young person</li> <li>■ Short-term placements of up to four weeks as an emergency or respite option</li> </ul>
<b>Young person's support mechanism</b>	<ul style="list-style-type: none"> <li>■ Host to provide support on basic household tasks, developing independence, social engagement and emotional wellbeing</li> <li>■ Key worker support: structured professional support working with the young person to enable them to flourish and have improved outcomes in future life</li> <li>■ Specialist support provided by a partnering organisation with the requisite skills</li> </ul>



	<ul style="list-style-type: none"> <li>▪ Potential for peer-based group work</li> </ul>
<b>Host selection criteria</b>	<ul style="list-style-type: none"> <li>▪ Availability of a suitable spare room within house</li> <li>▪ Motivation to help young people faced with homelessness</li> <li>▪ Willingness to provide practical and emotional support</li> <li>▪ Flexibility to balance young person's independence with support</li> <li>▪ Fully vetted to assess suitability to accommodate a vulnerable young person</li> <li>▪ Willingness to engage in training</li> <li>▪ Maximum 2 lodgers per household</li> </ul>
<b>Host approval</b>	<ul style="list-style-type: none"> <li>▪ A robust host approval process for the scheme to ensure hosts are vetted and prepared for being part of the scheme</li> </ul>
<b>Host training</b>	<ul style="list-style-type: none"> <li>▪ Pre- and in-placement training will be provided by the management agency or other suitable training partner, appointed by the service</li> <li>▪ Refresher or specialist training available online</li> </ul>
<b>Host support mechanisms</b>	<ul style="list-style-type: none"> <li>▪ Regular meetings or reviews with the placement manager</li> <li>▪ On-call advice during office hours and provision for emergency calls</li> <li>▪ Peer support amongst hosts</li> </ul>
<b>Management of the scheme</b>	<ul style="list-style-type: none"> <li>▪ Scheme may be run by: <ul style="list-style-type: none"> <li>▪ The local authority, building on existing scheme for care leavers.</li> <li>▪ an independent third sector organisation established to run a local scheme</li> <li>▪ as an additional activity for an existing local or national third sector organisation.</li> </ul> </li> </ul>
<b>Management agency - role and responsibilities (not covered above)</b>	<ul style="list-style-type: none"> <li>▪ Liaison with referral teams in the local authority</li> <li>▪ Promotion of the scheme</li> <li>▪ Recruitment and assessment of hosts</li> <li>▪ Risk assessment of young people, match and introductions, support the ongoing relationship</li> <li>▪ Set up and manage host approval panel</li> <li>▪ Ensure Supported Lodging agreements are in place and signed off between host and young person, host and agency, young person and agency</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Ensure options are discussed with young person throughout process and ensure their decisions are respected</li> <li>▪ Prepare a support plan for and with young person – or ensure these are provided by other agencies</li> <li>▪ Be accountable for scheme</li> <li>▪ Oversee payment of fees to host Registration and ongoing liaison with the Care Inspectorate</li> </ul>
<b>Stakeholder partnerships</b>	<ul style="list-style-type: none"> <li>▪ A key success factor will be development of strong partnerships with: <ul style="list-style-type: none"> <li>▪ the referral agency, to ensure good take up of scheme and effective communications around placements</li> <li>▪ providers of services for young people operating in the area to provide specialist support to those in placements.</li> </ul> </li> </ul>
<b>Host support allowance</b>	<ul style="list-style-type: none"> <li>▪ Graded scale depending on support needs of young person</li> </ul>
<b>Service fees</b>	<ul style="list-style-type: none"> <li>▪ A contribution towards the running costs of the home, for example meals.</li> </ul>
<b>Rent</b>	<ul style="list-style-type: none"> <li>▪ Scheme will need to determine with hosts however this is not likely to exceed the Local Housing Allowance rates.</li> </ul>
<b>Funding care leavers placements</b>	<ul style="list-style-type: none"> <li>▪ When social work teams make referrals to the service it is anticipated that they will provide funding for the placement</li> </ul>

A fundamental characteristic is the person-centred support focussing on the needs of the individual young person. Figure 3 shows a typical support framework.

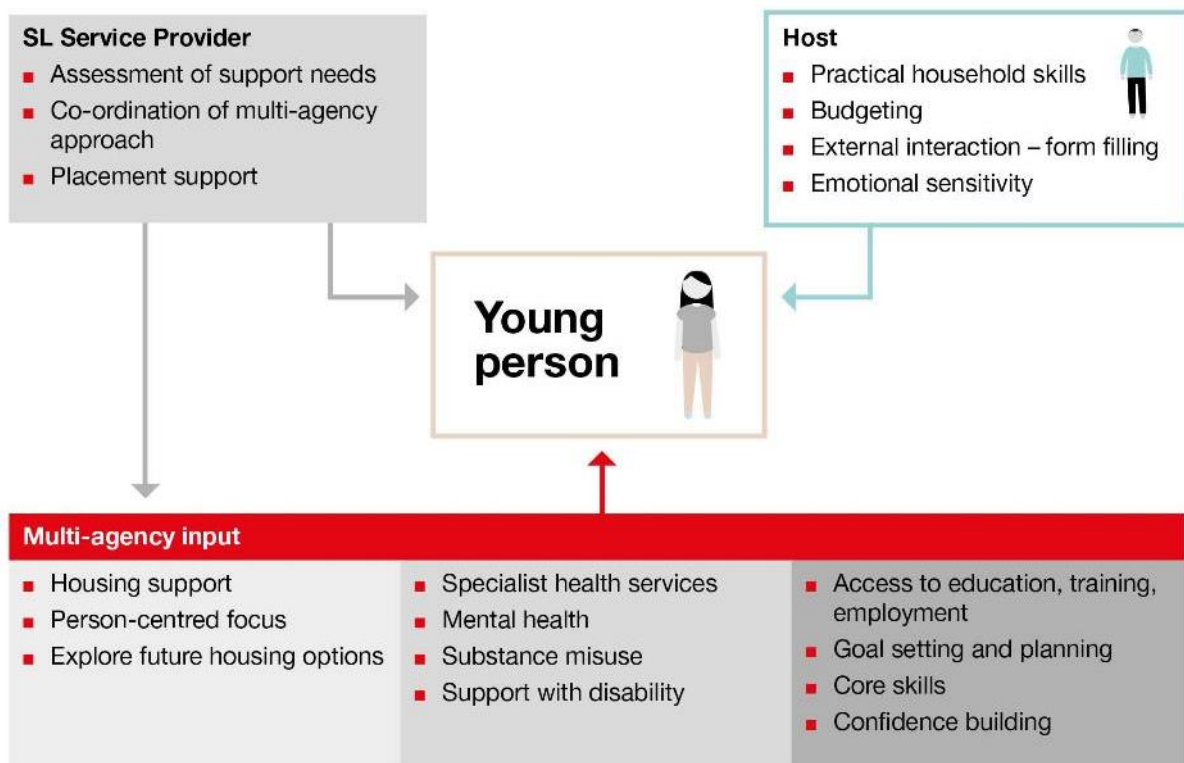


Figure 3: Support framework centred on the young person

#### 4.4 The way forward for Supported Lodgings in Scotland

Three potential options have been identified for the roll-out of Supported Lodgings in Scotland using the model outlined above.

Option 1: Local or regional schemes	
Locally run programmes operating in a local authority area	
Opportunities	Challenges
<ul style="list-style-type: none"> <li>■ Flexibility to tailor scheme according to local need</li> <li>■ Potential to be run in conjunction with other support services for young people or as an additional activity for an existing service provider</li> <li>■ Allows potential for integration with existing Supported Lodgings schemes for care leavers</li> <li>■ Could be run by the local authority or a third sector organisation</li> <li>■ Operational area could be in the principle urban area or throughout the local authority region</li> </ul>	<ul style="list-style-type: none"> <li>■ Each scheme carries the burden of high set-up cost and time input</li> <li>■ Lack of opportunity to easily share learning, best practice and resources</li> <li>■ No national coordination of sector development which could support dealing with structural barriers outside of the control of a local authority</li> <li>■ No structured opportunity to share resources and achieve cost savings</li> </ul>

## Option 2: National scheme

A Scotland wide scheme operating from a central office

### Opportunities

- Aggregated development costs
- Potential to pilot scheme in a limited area
- Sharing of learning and best practice is implicit
- Opportunity to create national standards and operational framework
- Economies of scale make support measures such as a national helpline more affordable

### Challenges

- Requires an organisation with the capacity to establish a national programme
- Individual negotiation and contracting with commissioning local authority required
- More challenging to build contacts in local areas
- Potential to integrate existing local authority Supported Lodgings services is unclear
- Difficult to support a highly dispersed national reach
- Limited examples of shared services between local authorities

## Option 3: National Supported Lodgings hub supporting locally operated schemes

A Scotland wide hub is established to provide resources and advice to independently run local schemes

### Opportunities

- Separates development activities and costs from operation relieving burden for local schemes
- Appropriate for staged roll-out and development of local schemes in response to demand
- Flexibility for local commissioning contracts to respond to local need
- Potential for the scheme to integrate with existing local authority run care leaver Supported Lodgings services
- Facilitates sharing of resources, training and best practice
- Economies of scale make support measures such as a national helpline more affordable

### Challenges

- Local schemes would require individual agreement with commissioning local authority – public procurement rules could drive up implementation costs
- Willingness to adopt and utilise centrally developed policies, training, guidance

Our research has shown there are many positive experiences of Supported Lodgings and that it is a workable model, albeit currently at a smaller scale than the potential in Scotland. We are also aware that there is a high level of upfront activity to launch a Supported Lodgings scheme. Taking both factors into account, we propose two key tasks for taking Supported Lodgings forward and enable it to flourish on a wider scale in Scotland.

1. Pilot the scaled-up model in one rural and one urban based Supported Lodgings scheme (option one)
2. Development of a centralised national level support service (option three)

The rationale here is that a national scheme will struggle to succeed given local service variations, therefore we consider options one and three most viable to succeed. Given the existence of schemes already, the challenge is to scale up this approach and broaden the reach of the service.





‘

if something  
was done  
**nationally** I  
think there  
would be a lot  
of buy-in from  
local authorities.



## 5. Delivery: Proposal for a national level Supported Lodgings unit

### 5.1 Aims of a national level support service

A central hub supporting local service delivery is an established concept to push forward sector development whilst allowing the flexibility to support staged roll-out and enhancement of existing services. Within the homelessness/housing sector examples include the promotion and support of Nightstop by Depaul UK, the Housing Support Enabling Unit and the Empty Homes Partnership delivered by Shelter Scotland. Through our conversations we have learnt that the process of setting up a new Supported Lodgings scheme have common challenges and that there would be benefit in sharing good practice. The detail of an individual Supported Lodgings scheme will continue to be determined in response to local need. The principal aims of the service will be to:

- Support and encourage the establishment and development of locally operated Supported Lodgings schemes
- Record and disseminate best practice
- Develop common resources
- Build overall capacity of the sector
- Provide training and networking events
- Identify funding mechanisms and opportunities.

We recommend the hub should be established with an initial lifetime of five years and then reviewed. This will enable an assessment to be made on whether an ongoing input is required, or the sector is sufficiently developed to be self-managed.

## 5.2 Core activities

There will be some initial tasks of the support agency to establish the service and facilitate set-up of the pilot schemes. Table 2 below presents these and the focus of on-going work.

Establishment	On-going
Engage in dialogue with local authorities to identify partners for pilot programmes Agree contractual arrangements Work with local staff to establish pilots	<ul style="list-style-type: none"><li>▪ Targeted engagement with local authorities</li><li>▪ Establishing new partnerships and supporting the set-up of new schemes</li><li>▪ National level networking and dissemination events</li></ul>
Commission branding exercise and preparation of marketing materials	<ul style="list-style-type: none"><li>▪ National level awareness raising</li><li>▪ Support local promotional activity</li></ul>
Design of training programme	<ul style="list-style-type: none"><li>▪ Maintain &amp; develop training resource</li></ul>
Develop generic staff job specifications	<ul style="list-style-type: none"><li>▪ Manage national scale resource such as a single on-call helpline</li></ul>
Develop all generic documentation & guidance for Supported Lodgings schemes	<ul style="list-style-type: none"><li>▪ Review, updating and development of shared resources</li></ul>
Ensure full compliance and complete registration with Care Inspectorate	<ul style="list-style-type: none"><li>▪ Maintain compliance, advice on responses to inspection reports</li></ul>
Secure 3-year funding	<ul style="list-style-type: none"><li>▪ Develop scheme funding guide</li></ul>
Commission evaluation of pilot schemes	<ul style="list-style-type: none"><li>▪ Monitoring progress and share learning</li></ul>

Table 2: Core activities for a national support service

## 5.3 Development activity

Common resources for use by individual Supported Lodgings services will be produced by the central hub.

### Marketing and promotion

A clear finding from our research has been that there is a general lack of awareness of Supported Lodgings amongst young people and the public. Professional input will be sought to undertake a branding exercise that uses available evidence to create a compelling, positive message. This will form the basis of a robust marketing campaign and the design of generic promotional materials to be used across the pilot schemes. The campaign will focus on increasing the appeal to young people and encouraging more hosts to come forward. Ongoing promotional activity will focus on maintaining visibility through social and traditional media targeted at hosts and young people.

## Training

Although no formal qualifications are required to be a host a comprehensive and tailored training programme will be developed for potential and established hosts, see Table 3 below. This will be delivered at different stages of their engagement using a combination of face-to-face training and online materials.

Introduction	Pre-placement	Ongoing
<ul style="list-style-type: none"><li>▪ What are Supported Lodgings?</li><li>▪ Understanding homelessness</li><li>▪ Community hosting</li><li>▪ Experienced hosts and lodgers</li><li>▪ Financial and legal considerations</li></ul>	<ul style="list-style-type: none"><li>▪ Working with young people</li><li>▪ The role of the host and setting boundaries</li><li>▪ Managing challenging behaviour</li><li>▪ Hosting agreements</li><li>▪ Tax, insurance and benefits</li></ul>	<ul style="list-style-type: none"><li>▪ Peer support</li><li>▪ Specialist topics as required: substance abuse, mental health, working with disability</li></ul>

Table 3: Outline of host training programme

Hosts will be encouraged to enrol for appropriate local or national training opportunities such as SQA accredited qualifications.

## Compliance and registration

Supported Lodging schemes are registered as Adult Placement Services with the Care Inspectorate. Registration covers the scheme rather than the individual hosting households and will be the responsibility of the service provider. The central hub will work with the Care Inspectorate to develop and produce documentation and guidance necessary to demonstrate compliance and facilitate the registration process for local schemes. The hub will have a role in ensuring documentation remains compliant and will support schemes through the inspection process to create a body of good practice guidance.

## Financial and legal considerations for host

There are several financial and compliance issues that can impact on Supported Lodgings hosts. The hub will develop guidance for potential hosts to help their understanding of any potential impact.

A Supported Lodgings host will be self-employed for tax purposes and as such, is responsible for any income tax liability. However, there are two relevant tax allowances and most hosts will be eligible for one of these:

- i. The Rent a Room Scheme enables the host to earn rental income of up to £7,500 per year tax free by providing furnished accommodation in their main home<sup>27</sup>.
- ii. Qualifying care relief allows carers who look after children or adults to receive certain payments (qualifying amounts) tax-free. The upper limit on tax free payments is £10,000 for each household for a full year plus £250 for each young person.

<sup>27</sup> HMRC HS223 Rent-a-Room Scheme (2018), 2018

Supported Lodgings schemes are listed by HMRC as eligible for hosts to qualify for Qualifying Care Relief<sup>28</sup>. Further guidance will be sought from HMRC as an action of the support service to ensure schemes are supporting hosts to take advantage of this tax relief on scheme payments.

It is advisable for any host in rented accommodation to notify their landlord and for owner occupiers with a mortgage, to advise their lender. The biggest challenges reported were mortgage terms and housing association tenancy agreements. Validation of the hosting arrangement by a national support service would give credibility in these situations. Hosts who receive state benefits will need to check any implications for their claims.

### **Data sharing agreements**

There may be situations during the placement when data sharing agreements may be required.

- to share background information of services users to enable proper risk assessment prior to placement.
- To enable host to communicate on behalf of young person in appropriate situations

Templates and guidance will be compiled for use by individual service providers. Data sharing agreements should be set up in advance in consultation with the young person involved.

## **5.4 Build overall capacity of the sector**

Several of our informants referred to the lack of recognition of Supported Lodgings as being a limiting factor. A support hub will have the capacity to address issues at national level. The development of common resources will begin to set recognised standards and, with the promotional campaign, build confidence within the sector and amongst potential service users. Additional work will focus on:

- targeted engagement activity within, particularly the statutory, housing/homelessness sector
- engaging at national level to raise the profile of Supported Lodgings, initially around issues shown to require further investigation. These include the impact on housing duty and supported accommodation as detailed below.
- contact with existing organisations that provide support services to young people to facilitate partnership working
- networking and dissemination activity to promote accepted standards and best practice
- marketing and promotional campaign to raise public awareness

### **Supported Accommodation**

Supported Lodgings, by definition, is a model that aims to provide support as well as accommodation. Therefore, this raises the question of whether it can be classed as supported accommodation which is exempt from some of the impacts of welfare reform: accommodation defined as Specified Accommodation has continued to be funded through housing benefit rather than as part of Universal Credit<sup>29</sup>.

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<sup>28</sup> HMRC [Qualifying care relief for carers: HS236 Self Assessment helpsheet](#), 2018

<sup>29</sup> Under Housing Benefit regulations, Specified Exempt Accommodation SEA is exempt from the benefit cap which restricts total weekly benefit payments to £500 for a couple and £350 for a single claimant. SEA is also exempt from the bedroom tax.

In October 2017, the UK government set out a new framework for the funding of housing costs in supported housing. Under the proposals, funding for short-term Specified Accommodation would be devolved to the Scottish Government from 2020. The definition used for short-term supported housing is:

*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.*<sup>30</sup>

And includes

*accommodation, usually/often homelessness-related, including transitional supported accommodation for vulnerable young people such as care leavers or teenage parents; offender/ex-offender; substance or alcohol misuse; veterans, or mental ill health.*

and

*dispersed accommodation with support.*

However, to be classified as Specified Exempt Accommodation, the landlord or provider of the accommodation must be a housing association, charity or voluntary organisation. There are instances where providers of adult placements have attempted to set up agreements with the host that reflect the requirements of Specified Exempt Accommodation but have failed when challenged in court. (See Appeal No. CH/2726/2008 and CH/3900/2005).

### **Discharge of local authority housing duty**

The use of Supported Lodgings for young people raises the issue of whether the placement would permit the local authority to discharge their housing duty. With some minor exceptions, the duty on local authorities is to provide permanent accommodation in a Scottish Secure Tenancy or similarly, a Private Residential Tenancy in the private sector<sup>31</sup>. Housing in Supported Lodgings would clearly not fulfil this obligation so a duty to find permanent housing would remain. This is to be welcomed in terms of continuing to provide support for the young person and a 'safety net' if the placement breaks down. However, local authorities are under pressure from the Scottish Housing Regulator to reduce time spent in temporary accommodation and may be subject to some scrutiny if the number and duration of placements has a significant impact on overall statistics.

The Homeless Persons (Provision of Non-Permanent Accommodation) (Scotland) Regulations 2010 set out circumstances where it is acceptable to provide non-permanent housing. These include situations where the individual requires housing support to a level that makes permanent accommodation inappropriate. The regulations also set out conditions around the support, advice and information that must be provided whilst the

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The other types of Specified Accommodation, i.e. Managed Properties, Refuges and Hostels are exempt from the benefit cap, but are NOT exempt from bedroom tax.

<sup>30</sup>DWP, HB Circular A4/2018, March 2018

<sup>31</sup> Scottish Government, Code of Guidance on Homelessness, 2005



person is in this transitional accommodation. Some schemes in England have reported this approach being part of their funding to support scheme costs.

A qualifying factor for young people to be allocated a Supported Lodgings placement will be that they have been assessed as having one or more support needs, in addition to homelessness. Placements in Supported Lodgings therefore appear to comply with Provision of Non-Permanent Accommodation Regulations and more than one of the local authorities spoken to see this as a useable provision. Consultation with the Scottish Housing Regulator on the principle is advised prior to widespread adoption of the practice.

## **5.5 Evaluation**

The pilot scheme aims to test the validity of the proposed Supported Lodgings model, and a full evaluation will be conducted to test the theory of model change and incorporate learning into hub services. Progress and outcomes will be evaluated against quantitative and qualitative indicators to assess the effectiveness of the model in bringing about positive change to the lives of young people facing homelessness. The level and type of support provided will be monitored to assess the impact on the capacity and confidence of service users to cope with future housing options including independent living.

Factors affecting take up by hosts, and the impact of hosting on the host and host household, will be explored. The analysis will critically reflect on any implementation challenges encountered and lessons learned that might be used to inform the project's future development and that of other services considering similar approaches.

Key indicators will be established to enable an analysis of the relative merits (or otherwise) of this model, compared to alternative approaches to providing supportive accommodation for the target group. This will include an evaluation of the financial cost of the model against others in use.

## 5.6 Staffing and resources



The main task associated with each post are:

Operations Manager	<ul style="list-style-type: none"> <li>▪ Leadership of team and project</li> <li>▪ Line management of senior staff</li> </ul>
Development Manager	<ul style="list-style-type: none"> <li>▪ Coordinate national scale project</li> <li>▪ Staff recruitment</li> <li>▪ Commission generic marketing and branding programme</li> <li>▪ Liaison with training team</li> <li>▪ Establish key partnerships in pilot locations</li> <li>▪ Development and documentation of generic Supported Lodgings processes</li> <li>▪ Compliance and registration processes</li> <li>▪ Ensure funding model for sustainability of service</li> </ul>
National Trainer	<ul style="list-style-type: none"> <li>▪ Design and development of comprehensive training programme</li> <li>▪ Development of on-line resources</li> <li>▪ Train staff in programme delivery</li> </ul>

## 5.7 Work programme

The initial two-year work programme of the national support service is given in Figure 4.

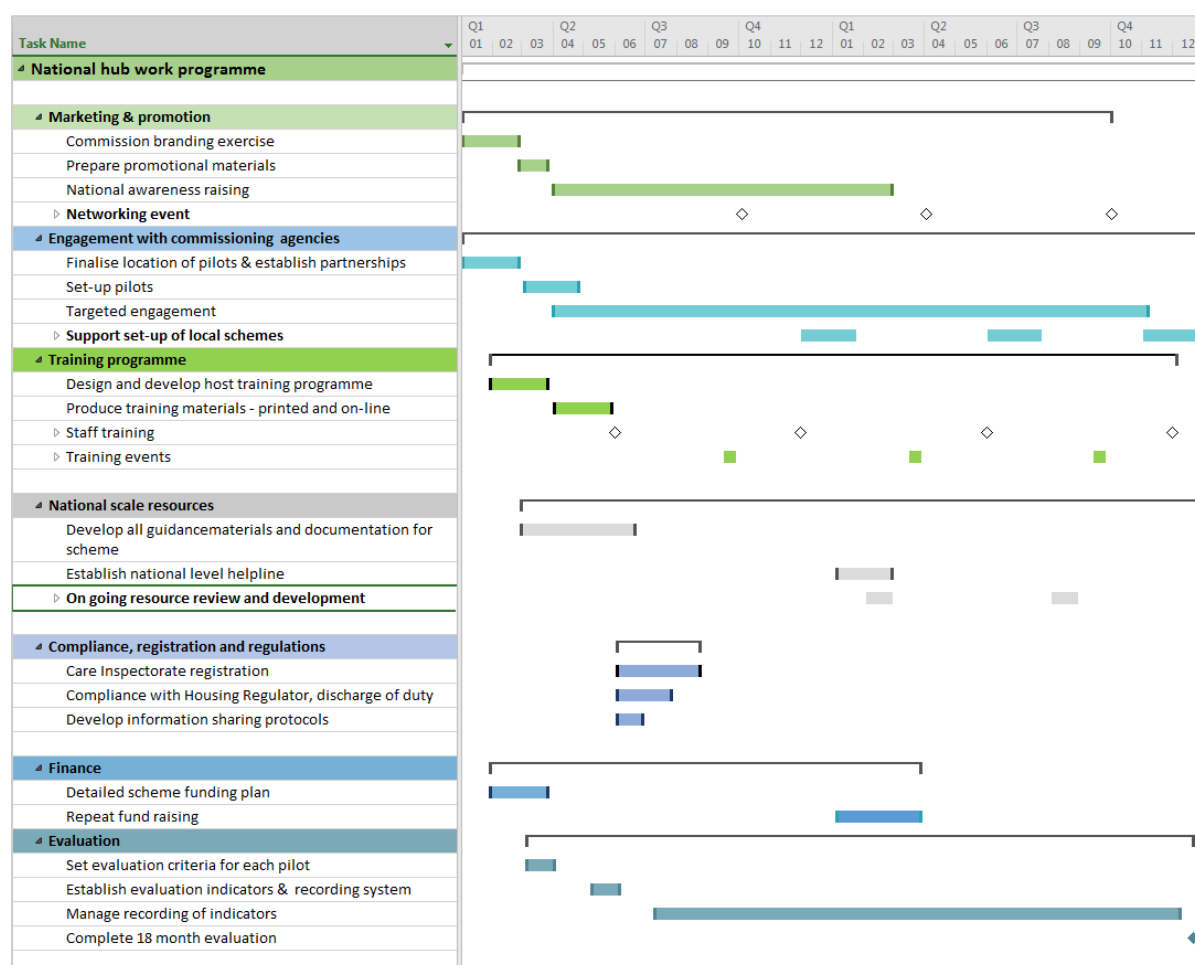


Figure 4: Work programme for the national support service

## 5.8 Cost Model

The costs of setting up and running the support service are given in Table 4.

Annual Budget (2018 Prices)		
Staff Costs		
Role	FTE	Total
Operations Manager	0.2	£ 9,000
Development Manager	1	£ 38,000
National Trainer	1	£ 28,500
Pension & NI @ 20%		£ 15,100
Travel & Subsistence		£ 16,000
Training & Development		£ 3,000
<b>Total Staff Costs</b>		<b>£ 109,600</b>
Non-Staff Costs		
IT & Communications		£ 1,200
Office Rental		£ 7,000

Stationary & Post	£	500
Marketing & Communications	£	40,000
Networking & Training Events	£	20,000
Evaluation & Evidence Gathering	£	8,000
Legal Advice & Materials Development	£	10,000
<b>Total Non-Staff Costs</b>	<b>£</b>	<b>86,700</b>
Overheads @ 15 %	£	29,445
<b>Total</b>	<b>£</b>	<b>225,745</b>

Table 4: National Support Service Costs

For illustration, the total five-year cost of the project would broadly comprise start-up costs of 25% of the annual total plus inflation of 2% per annum.

Annual costs	
Start-up	£45,000 (25% of annual running costs) to cover start-up costs such as office setup, legal advice, brand development, recruitment, etc
Year 1	£226,000
Year 2	£230,000
Year 3	£235,000
Year 4	£240,000
Year 5	£245,000
<b>Total</b>	<b>£1,221,000</b>

## 5.9 Risks and assumptions

### Risk Register

Key			
Scoring	Likelihood	Project Impact	Overall Scoring
1	Low Probability	Minimal impact	1 - 4
2 - 3	Reasonable Probability	Medium impact	5 -11
4 - 5	High Probability	High impact	12-25

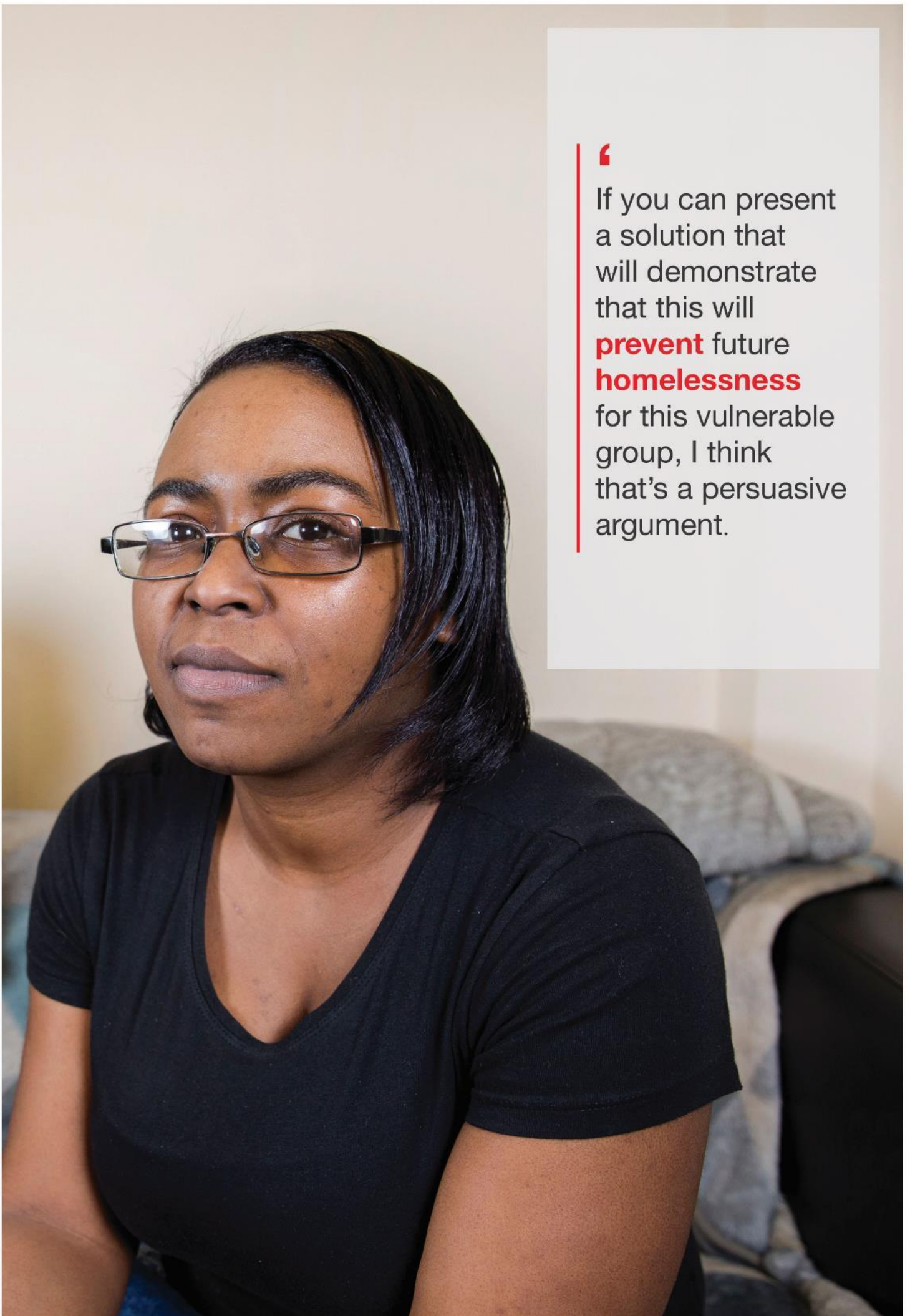
Description and potential impact	Likelihood	Impact	Total	Mitigation actions
Lack of engagement and take-up by local authorities	3	5	15	<ul style="list-style-type: none"> <li>Targeted promotional campaign</li> <li>Dissemination and networking opportunities are pursued</li> <li>Proactive engagement with individual authorities</li> </ul>

Loss of statutory funding	2	5	10	<ul style="list-style-type: none"> <li>Minimum funding duration and review points agreed at outset</li> <li>Investigate alternate social funding options</li> </ul>
Limited grant funding available	3	3	9	<ul style="list-style-type: none"> <li>Funder relationship has been managed and maintained by scheme management staff and fundraising team</li> <li>Aim for diversity in funding streams</li> </ul>
Negative press and/or social media coverage around placement failure impacts on host recruitment	3	5	15	<ul style="list-style-type: none"> <li>Use amassed positive evidence to counter negative messages</li> <li>Use ongoing media contact to promote positive outcomes achieved for young people</li> </ul>
Inability to track and evidence positive outcomes e.g. due to loss in communication with former participants	3	4	12	<ul style="list-style-type: none"> <li>Instigate formal monitoring and evaluation procedures that includes assessments entry and exit from scheme</li> <li>Service provider to establish process to maintain contact with former Supported Lodgings residents</li> </ul>
Issues in local schemes impact on operation of national service	2	4	8	<ul style="list-style-type: none"> <li>Setting and maintaining high standards in service management</li> <li>Ensuring good and regular communications between hub and individual services</li> <li>Regular sharing of good practice through training and networking events</li> </ul>



### Core Assumptions

Assumption	Rationale
A five-year commitment to operation of the national support service	Enable time to develop the service and test Supported Lodgings in practice prior to review of continuing need
Ability to attract funding to support central hub	Housing Options approach and Homelessness and Rough Sleeping Action Group has created a renewed focus on securing solutions to supporting change within the homelessness system
Local authorities willing to engage and work in partnership on pilot projects	Research has revealed strong interest amongst local authorities



“

If you can present a solution that will demonstrate that this will **prevent future homelessness** for this vulnerable group, I think that's a persuasive argument.

## 6. Delivery: Proposal for a pilot Supported Lodgings scheme

### 6.1 Aims

The second strand of proposed activity is to establish the Supported Lodgings model in practice and develop operational capacity. There will be phased approach to the work involving design and development of the first pilot schemes, a two-year implementation programme, review and evaluation followed by further roll out. Key tasks of each phase are outlined in Table 5.

Phase 1	Phase 2	Phase 3
<ul style="list-style-type: none"> <li>Design and development</li> </ul>	<ul style="list-style-type: none"> <li>Implementation</li> </ul>	<ul style="list-style-type: none"> <li>Roll-out</li> </ul>
<ul style="list-style-type: none"> <li>Undertake needs analysis</li> </ul>	<ul style="list-style-type: none"> <li>Launch 2 pilot schemes: 1 urban and 1 rural</li> </ul>	<ul style="list-style-type: none"> <li>Review practice integrating lessons learnt from evaluation</li> </ul>
<ul style="list-style-type: none"> <li>Establish key delivery partnerships in pilot locations</li> </ul>	<ul style="list-style-type: none"> <li>Recruit and vet hosts</li> </ul>	<ul style="list-style-type: none"> <li>Roll out delivery in new areas</li> </ul>
<ul style="list-style-type: none"> <li>Agree scope: eligibility criteria, number of places</li> </ul>	<ul style="list-style-type: none"> <li>Implement training programme</li> </ul>	
<ul style="list-style-type: none"> <li>Finalise commissioning contract</li> </ul>	<ul style="list-style-type: none"> <li>Round 1 placements</li> </ul>	
<ul style="list-style-type: none"> <li>Promotion of scheme and host recruitment campaign</li> </ul>	<ul style="list-style-type: none"> <li>Support for host and young people</li> </ul>	
<ul style="list-style-type: none"> <li>Register local scheme with Care Inspectorate - if required</li> </ul>	<ul style="list-style-type: none"> <li>Round 2 placements</li> </ul>	
<ul style="list-style-type: none"> <li>Establish host assessment panel</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring &amp; evaluation tasks</li> </ul>	
<ul style="list-style-type: none"> <li>Recruit staff and establish office</li> </ul>		

Table 5: Phased implementation of pilot schemes

More detail on specific elements of the delivery model is given in the following sections.

## 6.2 Local promotion

Host recruitment plan: Word of mouth is generally seen as the most effective means of recruiting new hosts and can be encouraged once the scheme is established. In the first instance an effective advertising campaign will be launched throughout the scheme catchment area using social and traditional media, community networks and newsletter, targeted visits and talks, web-based information.

The promotional campaign will be followed by a series of information sessions aimed at potential hosts. It's anticipated that the recruitment process from initial contact to signed-up hosts will take around three months.

## 6.3 Designing a new scheme

Although the core principles behind existing Supported Lodgings schemes are the same there is much variation in operational detail. Designing a scheme that fits the needs of the young people to be accommodated and has adequate resources to manage it effectively is an important step that should not be glossed over. Ideally this will be done in conjunction with the referral agency, most likely the local authority housing service.

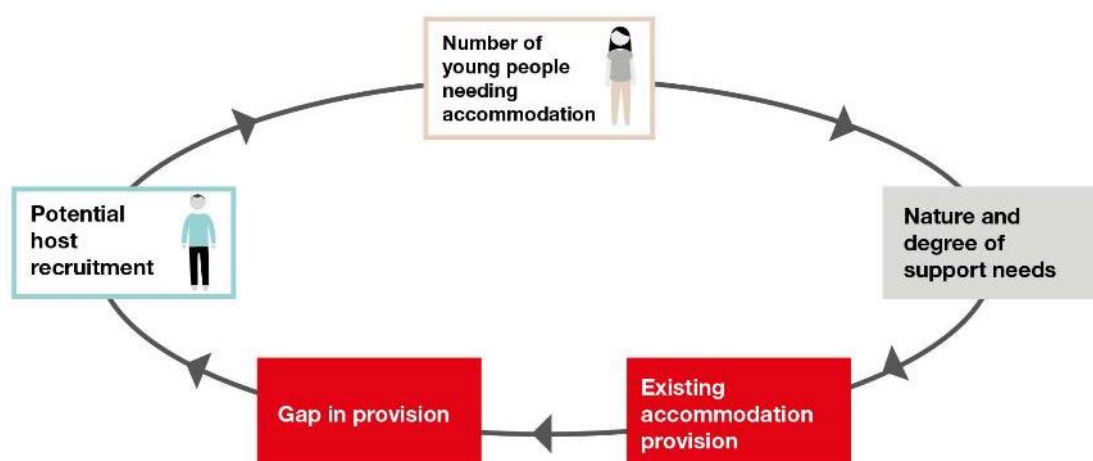
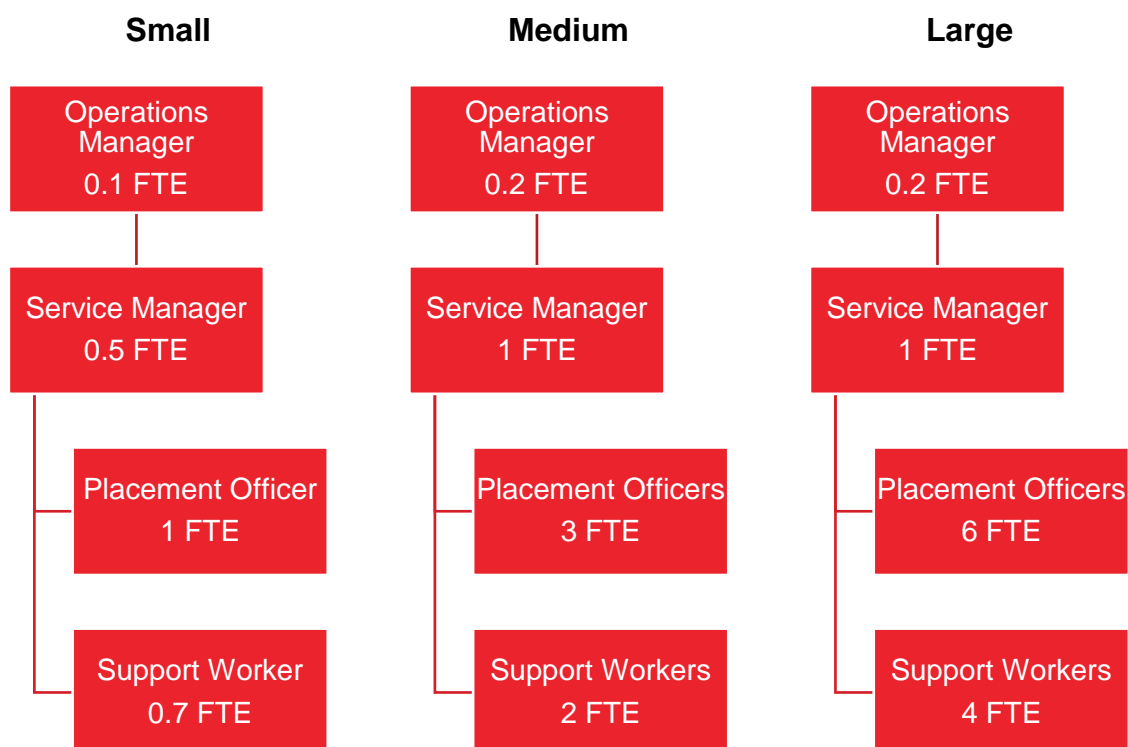


Figure 5: Service design criteria

## 6.4 Staffing and resources

For illustration, we have modelled three sizes of service: small; medium; and large to show what investment would need to be made to grow and develop a service of this nature. Our research shows that most existing schemes are below what we have called a small service.

The staff resource required for each scale of service are set out below.



The main tasks of each post are:

Operations Manager	<ul style="list-style-type: none"> <li>▪ Leadership of team and project</li> <li>▪ Ensure funding model for sustainability of service</li> <li>▪ Staff recruitment</li> </ul>
Service Manager	<ul style="list-style-type: none"> <li>▪ Assist in development of policies and procedures</li> <li>▪ Develop and manage relationship with referral agency</li> <li>▪ Local promotion</li> <li>▪ Oversee host recruitment and assessment</li> <li>▪ Set up and coordinate approval panel</li> <li>▪ Case management support</li> <li>▪ Supervision of team staff</li> <li>▪ Service management &amp; reporting</li> <li>▪ Ensure full compliance of local scheme</li> </ul>
Support Worker	<ul style="list-style-type: none"> <li>▪ Meet with potential clients</li> <li>▪ Matching and introductions</li> <li>▪ Oversee contractual agreement with host</li> <li>▪ Support clients throughout including crisis response</li> <li>▪ Run group work sessions for clients including pathway planning &amp; peer support</li> <li>▪ Liaise with other agencies to ensure additional support needs are met</li> </ul>

A small office will be needed in the catchment area of the pilot scheme. Preference will be given to using a shared office space for cost efficiency. Consideration can be given to home



working for staff on the rurally located pilot. Appropriate communications, office system and equipment will be established.

## 6.5 Stakeholders and partnerships

The key partnerships for a Supported Lodgings service will be with:

- The referral agency
- Other organisations providing support services for young people

A good relationship with the referral agency will be crucial to run an effective scheme and will influence both uptake of places and information sharing.

The needs assessment process will carry out an audit of existing services for young people within the proposed area. It will serve as a source of information and referral for young people and to explore options where partnerships can be established.

## 6.6 Service user involvement

The experience of existing Supported Lodgings schemes demonstrates that the involvement of service users in the delivery of the scheme has been invaluable. Both young people and hosts can be involved in a variety of ways as set out below, during operation of the scheme it is likely that other opportunities to involve services users will be adopted.

<b>Hosts and young people</b>	<ul style="list-style-type: none"><li>▪ Promotional events</li><li>▪ Introductory information sessions</li><li>▪ Host assessment panel</li><li>▪ Evaluation</li></ul>
<b>Hosts</b>	<ul style="list-style-type: none"><li>▪ Peer support groups</li><li>▪ Design and delivery of training</li></ul>
<b>Young people</b>	<ul style="list-style-type: none"><li>▪ Information sessions for young people</li><li>▪ Feedback and review</li></ul>

## 6.7 Pilot work programme

The pilot project will be run over two years; a programme of work is given in Figure 6.

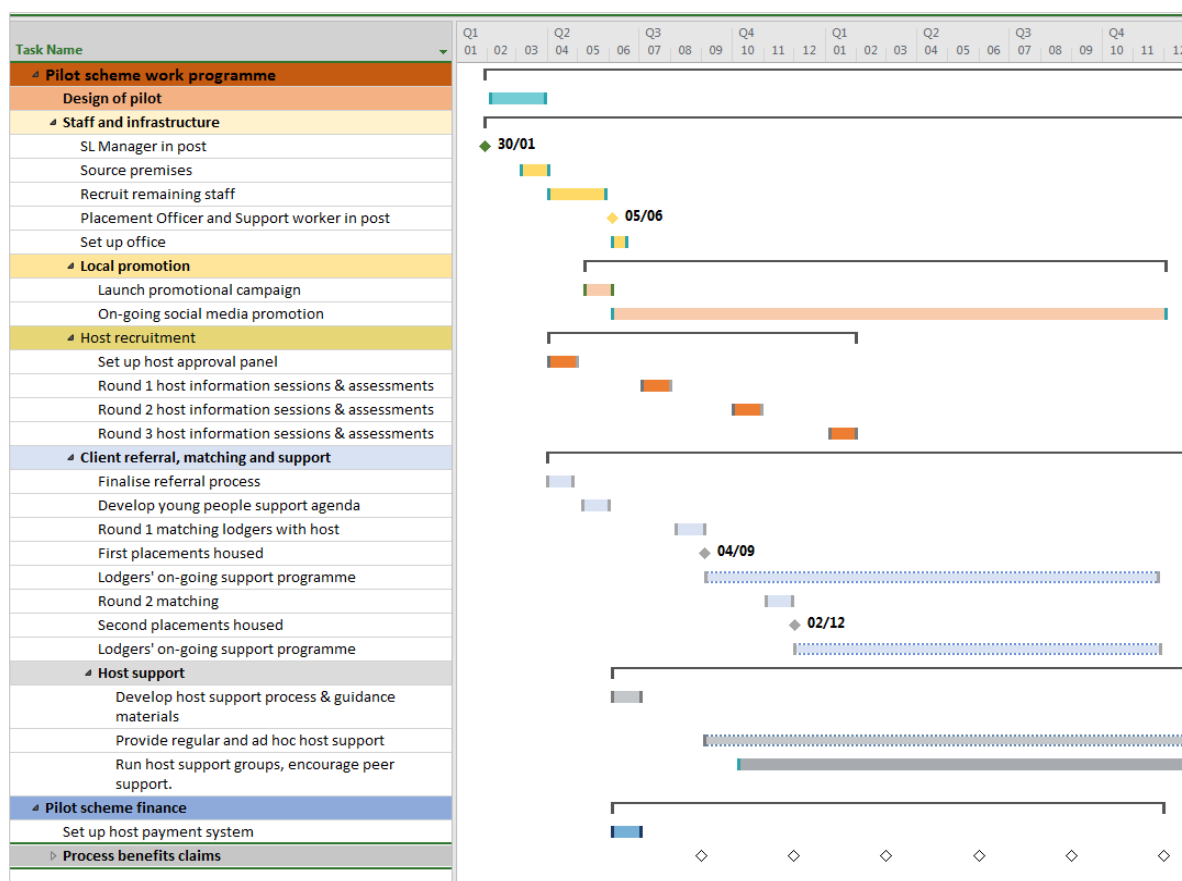


Figure 6: Pilot project work programme

## 6.8 Cost Model

There are several different cost components of a Supported Lodgings scheme: the costs involved in setting up a new service, ongoing management costs and the fees paid to the host. An annual budget and operational costs for each size of service is given in Table 6. Fees paid to Supported Lodgings hosts are presented in Table 7.

Annual Budget (2018 Prices)						
	Small		Medium		Large	
Staff Costs						
Role	FTE	Total	FTE	Total	FTE	Total
Operations Manager	0.1	£4,500	0.2	£9,000	0.2	£9,000
Service Manager	0.5	£18,000	1	£36,000	1	£36,000
Placement Officer	1	£26,800	3	£80,400	6	£160,800
Support Worker	0.7	£15,750	2	£45,000	4	£90,000
Pension & NI @ 20%		£13,010		£34,080		£59,160
Travel & Subsistence		£2,000		£6,000		£10,000
Training & Development		£4,000		£8,000		£12,000
Total Staff Costs		£84,060		£218,480		£376,960
Non-Staff Costs		Total		Total		Total

IT & Communications		£1,800		£3,600		£6,600
Office Rental		£7,000		£12,000		£18,000
Stationary & Post		£600		£1,200		£2,200
Printing		£1,000		£2,000		£4,000
Marketing & Communications		£4,000		£10,000		£15,000
Care Inspectorate		£1,250		£1,250		£3,150
Service User Travel		£4,000		£8,000		£8,000
Host Support Fees		£83,200		£249,600		£499,200
Disclosure Checks		£2,500		£5,000		£7,500
Room Hire		£1,500		£3,000		£4,000
<b>Total Non-Staff Costs</b>		<b>£106,850</b>		<b>£295,650</b>		<b>£567,650</b>
Overheads @ 15 %		£28,636		£77,119		£141,691
<b>Total</b>		<b>£219,546</b>		<b>£591,249</b>		<b>£1,086,302</b>

Table 6: Annual budget for three sizes of service.

These costings have been developed to show the full standalone costs of operating such a scheme with complete costs for premises and overheads. We have shown what we believe to be a fair apportionment of costs of managing such a service above the direct delivery staff. Clearly based on how a service is brought into existence some of these costs may be covered elsewhere.

	Size of scheme		
	Small	Medium	Large
New scheme set-up (15% of year one total)	£32,931	£88,687	£162,945
Annual operational costs	£219,546	£591,249	£1,086,302
Case load	20	60	120
Annual running cost/placement (excluding set-up)	<b>£10,977</b>	<b>£9,854</b>	<b>£9,052</b>
Weekly running cost/placement (excluding set-up)	<b>£211</b>	<b>£189</b>	<b>£174</b>

Table 7: Comparative costs of different sizes of Supported Lodgings Scheme

In addition to the scheme staffing costs there are the payments made to the hosts for opening up their home. There are three elements to this payment: rent, contribution of household services and a payment for the social, emotional and household management support tasks. This support element will be based on the needs of the young person rather than a fixed amount and this has been built into our cost model above as an average of £80 per week. We have excluded the rent and services payments as these will be funded by the client themselves or by housing benefit. Should the support fees be higher this will increase the cost of the model above, however based on discussions with other schemes this was the exception.

We found one scheme where they had utilised the supported exempt part of housing benefit to recover not only the rent element but also a significant proportion of the scheme costs as they related to support which therefore reduced the overall cost to the local authority.

The cost of the scheme per person reduces as the scheme gets bigger as economies of scale are reached. Compared to other service models aimed to support this client group the full life cycle costs of Supported Lodgings will be cheaper than any model which includes the capital costs of developing accommodation.

Payments to host		Typical rates
Rent	Commonly covered by housing benefit or wages if young person is working	£60 - 70 per week
Services	Young person's contribution to heat and light, supplies	£10 - 20 per week
Support fees	Variable depending on level of support provided	£80 - 750 per week

Table 8: Breakdown of payments to host

## 6.9 Risks and assumptions

### Risk Register

Key			
Scoring	Likelihood	Project Impact	Overall Scoring
1	Low Probability	Minimal impact	1 - 4
2 - 3	Reasonable Probability	Medium impact	5 -11
4 - 5	High Probability	High impact	12-25

Risks	Likelihood	Impact	Total	Mitigation actions
Low take up and referral rate	2	5	10	<ul style="list-style-type: none"> <li>Needs assessment completed prior to scheme launch</li> <li>Engagement with referral partners ensures high level of awareness of service</li> <li>Robust commissioning agreement in place</li> </ul>
Poor acceptability and demand from young people	3	5	15	<ul style="list-style-type: none"> <li>Branding and marketing campaign develop a positive image</li> <li>Local campaign ensures high level of awareness of service amongst potential clients</li> <li>Peer involvement in promotional activity</li> <li>Robust introduction and matching process</li> <li>Diversity amongst hosts – location, interests, background</li> </ul>
Insufficient host recruitment	4	4	16	<ul style="list-style-type: none"> <li>Sustained local community engagement programme firmly establishes scheme presence</li> <li>Ensure availability of good and accessible preliminary information</li> </ul>


				<ul style="list-style-type: none"> <li>Engagement with potential hosts is well managed and staff are enthusiastic</li> </ul>
Personal safety of lodgers and hosts	2	5	10	<ul style="list-style-type: none"> <li>Robust assessment and vetting of hosts</li> <li>Appropriate risk assessment of potential service users</li> <li>Referral agency shares background information on young people</li> <li>High level of ongoing contact with lodger and hosts during placement</li> </ul>
Loss of statutory/grant funding	3	5	15	<ul style="list-style-type: none"> <li>Funder relationship has been managed and maintained by scheme management staff and fundraising team</li> <li>Investigate alternate social funding options</li> <li>Funding obtained has a fixed minimum period</li> </ul>
Rate of placement breakdown higher than anticipated	3	3	9	<ul style="list-style-type: none"> <li>Robust preparation for host and young person prior to placement</li> <li>Young people feel in control of decision making</li> <li>Adequate support and mediation for both parties</li> <li>A realistic and flexible agreement is agreed by both parties</li> <li>Young people have access to support for additional needs</li> </ul>
High host drop-out rate or change in circumstances	2	4	8	<ul style="list-style-type: none"> <li>Adequate pool of hosts</li> <li>Availability of respite for host</li> </ul>
Payment to hosts is deemed to be employment	2	3	6	<ul style="list-style-type: none"> <li>Seek professional advice to learn from recent employment tribunals and mitigate this risk by structuring legal arrangements with hosts and support agency</li> </ul>

### Core Assumptions

Assumption	Rationale
A three-year commitment would be required prior to setting up a Supported Lodgings scheme	Allow for set-up period and two-year placements. Ensure that placements will not be interrupted due to scheme closure.
Local authorities willing and able to commission services	Current housing options for young people facing homelessness are limited and often inappropriate
Barriers to acceptability can be overcome	Research shows many positive impacts of Supported Lodgings for those with lived experience



Assumption	Rationale
New benefits funding will not pose a barrier	The benefits system is in period of flux, but payments form a part of the funding package of placements.

A man with dark hair, wearing a red, white, and blue plaid shirt and dark jeans, is standing in a kitchen. He is leaning over a black pot on a gas stove, stirring its contents with a wooden spoon. His left hand is on the handle of the pot. On the kitchen counter in front of him is a plate with two slices of bread, sliced cucumbers, cherry tomatoes, and a small black olive. To the right of the plate are two cans of Heinz Big Soup, one labeled 'Heinz Big Soup' and the other 'Gobi or Gungli'. In the background, there are wooden kitchen cabinets and a tiled wall. A semi-transparent white box with a red vertical line and a red quote mark is overlaid on the right side of the image, containing text.

‘  
it will be spend to  
save in terms of  
**reducing youth  
homelessness**,  
failed or  
abandoned  
tenancies, it will  
increase young  
people in terms of  
their confidence,  
their skills.

## 7. Service Funding

### 7.1 National Support Service Sources of Funding

There are three realistic sources of funding to support the establishment of a National Support Service for Supported Lodgings Development. These have been put in order of likelihood of success.

Potential Funder	Relative Merits
Scottish Government	<ul style="list-style-type: none"><li>▪ Long-term and relatively secure</li><li>▪ Also provides endorsement which will support engagement</li><li>▪ Funded via direct grant or Voluntary Sector Housing Grant Scheme</li></ul>
Restricted Grant Funding from Major funder	<ul style="list-style-type: none"><li>▪ Fixed-term not longer than three years</li><li>▪ Requires considerable resource to secure funding</li></ul>
Local Authority Contribution as Shared Service	<ul style="list-style-type: none"><li>▪ Multi-year is possible however vulnerable to change with 32 funders</li><li>▪ Complex to secure arrangements from all authorities</li><li>▪ Strong competition for funds so would need to show real value to each funding authority</li></ul>

### 7.2 Supported Lodgings Schemes Sources of Funding

Existing Supported Lodgings schemes that work with young homeless people have been creative in putting together funding packages using a range of different sources. It is evident that maintaining an adequate and sustainable level of funding to run an effective service is a challenge. As a result, though there are elements of commonality, schemes have generally found their own route to solve the funding conundrum.

Existing Supported Lodgings schemes in Scotland largely cater for care leavers or young people registered with social services whose accommodation and other costs are fully funded through the local authority. Funding available to these schemes, though lean, is at least guaranteed.

These schemes are not low-cost options as it is housing with support both from professionals and from the host themselves which will obviously be a more expensive option compared to temporary accommodation. Costs need to be seen in context as other housing options such as supported accommodation or Bed & Breakfast can have similar or higher operating costs. However, the evidence from Heriot-Watt University's research and our expectation is that we will get improved long-term outcomes for the people using the service. Critically Supported Lodgings can offer an overall slightly lower cost option but a good



quality service with positive outcomes without some of the risks of congregate accommodation models.

**Housing Benefit:** This is used to cover the rental element of host fees, however there is considerable inconsistency between the rates obtained. Many young people in Supported Lodgings will receive the Shared Room Rate for 18–35 year olds, typically £60-70 per week. Some schemes report obtaining the higher rate for supported accommodation or exempt accommodation, but this relies on successful negotiation with the local revenue and benefits office.

Critically using the supported exempt route introduces a range of criteria including turning the rooms that are let into social tenancies. It would, however, establish a means to support other costs of the service that can be legitimately charged as enhanced housing management resulting in a reduced overall cost to the commissioning authority.

Housing benefit may be claimed directly by the young person or, in many cases, the scheme provider will do the claim on behalf of the young person and make the payment directly. This guarantees that the host receives their funding in a single payment and allows the risk of potential delays or interruptions in the benefit to be borne by the scheme or, in some cases, the housing department.

At least one scheme contacted acted as the landlord for the hosts room which was then occupied under licence by the lodger. The housing benefit was then paid directly to the service provider.

Furthermore, with continued reform of housing benefit for supported accommodation and devolution to Scotland of this resource this will be an area to closely monitor.

**Commissioned Services fees:** Supported Lodgings schemes run by third sector organisations normally receive some payment from the local authority for the service provided. This can take any one of several forms:

- annual payment based on a contract for service provision commissioned by the local authority
- block purchase of bed spaces
- spot purchasing for the number of bed nights supplied.

Spot purchasing can be problematic if used in isolation of a steady income stream for the service provider leading to uncertainty around budgeting to cover fixed costs. In addition, any service will require a small core of a service to ensure the safety and security of the hosts and lodgers therefore block purchase arrangement would be most suitable. However, can add an element of flexibility to the cost base of the service to ensure costs relate to volumes.

In England fees may be funded through the local authority Supporting People budget or by homelessness services. Payments normally cover the support element of the host fees and in some cases, will contribute to the ongoing scheme management costs.

**Young person's contribution:** Most, but not all, schemes build in an element paid by the lodger to cover utilities bills and food, if provided. The fee is modest, typically £5-30 per week, but helps to develop a sense of responsibility and the understanding of budgeting for the costs inherent in running a household. This will be covered by the young person's benefits payments or wages.

**Additional fundraising and grants:** Several existing schemes are running on very tight incomes and are often boosting income from statutory sources and benefits with their own fundraising activities. Some have obtained external grants generally for the first few years of operation to support the higher start-up costs of establishing a new service.

Grant funding is a reasonable way to establish a service or provide short-term additional investment for development/enhancement, however is not suitable for the long-term funding of schemes.

**Innovative social financing:** There are occasional examples of funding such as social impact bonds being used to support young homeless people. The Fair Chance Fund ran for 2 years 2015-17 to improve accommodation, education and employment outcomes for homeless young people. Funding was provided by the Department of Communities and Local Government (DCLG) and Cabinet Office on a 100% payment by results basis. Investors interested in supporting social objectives provided upfront payments for the delivery of services through social impact bonds. The investment is repaid based on the outcomes achieved for young people, in this case when they were rehoused, or brought in to education, work or volunteering. Depaul UK received funding through the programme to employ floating support workers who provided tailored support to the young people in the programme.





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It felt very, **very**  
**homely**. Very,  
very safe. Very  
good vibes.

## 8. Conclusions and Recommendations

### 8.1 Conclusions

- Young people – care leavers and those facing homelessness – exist within the homelessness system and it has been shown that they can benefit from the model of support offered by Supported Lodgings with enhanced outcomes over other models of support.
- Supported Lodgings schemes are successfully operating in Scotland for care leavers and in England and Wales for both care leavers and a wider group of young people facing homelessness. However, spread of services for young homeless people in Scotland, is currently limited, which offers space for growth and development.
- The research findings present a compelling case for the expansion of Supported Lodgings especially of the value of blended support between the host and the support provider, the positive outcomes across multiple domains, professional positivity about the model both in itself, as well as in comparison to alternative models.
- The business case has identified some barriers to more widespread use of Supported Lodgings for young homeless people which will need to be addressed but are not seen as insurmountable:
  - Local authority budgets for homeless services and housing are stretched, a new Supported Lodgings scheme requires upfront costs that will need to be supported.
  - Lack of familiarity with the model leads to risk aversion and lower uptake by hosts, young people and referral agencies.
  - Virtually no acknowledgement of Supported Lodgings in existing legal and regulatory frameworks. This poses a challenge to finding a 'fit' for the model when planning service delivery and funding.
- Our research has found that Supported Lodgings can be used to meet a range of needs when these are matched by the skills and experience of hosts.
- The recruitment of hosts is an on-going activity that is made easier by demonstrating a well-managed scheme, appropriate training and a high level of on-going support.
- Sharing resources between schemes will reduce the start-up and operating costs in areas such as developing training, resources, policies and procedures and ensuring regulatory compliance.
- The length of stay in Supported Lodgings is widely considered to be up to two years, although many schemes do not impose a strict time limit. With this commitment a pilot scheme would require a multi-year funding package to allow a suitable time to fully evaluate the scheme.

## 8.2 Next steps

- Further scoping work is undertaken on the practicalities of establishing a Supported Lodgings 'hub' in Scotland providing centralised support and advice to individual schemes.
- Talks are held with the Scottish Housing Regulator on the principle of Supported Lodgings being an appropriate form of non-permanent accommodation under The Homeless Persons (Provision of Non-Permanent Accommodation) (Scotland) Regulations 2010
- Supported Lodgings is recognised as a valid model for the delivery of supported accommodation and included in the current debate on funding for supported accommodation.
- Supported Lodgings is tested as a model of accommodation for young homeless people through two pilot schemes, one in a rural and one in an urban setting with discussions held with local authorities in Scotland to identify suitable partners for the location of the pilot programmes and agree terms and scheme parameters.

Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

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