

Briefing Paper – Future of Supported Housing

In the Government's Autumn Statement 2015, they announced their intention to apply the Local Housing Allowance rates to supported housing, and to the wider social rented sector.

There have been significant concerns raised about this change by the social housing sector and other key stakeholders (such as supported housing commissioners and providers; supported housing tenants; Welsh Government) and as a result on 25th October 2017, the Prime Minister announced that the Government had decided they will no longer introduce the restriction of Supported Accommodation rents to LHA rates and that they would also no longer be introducing this restriction across the wider social rented sector.

On 31st October 2017, the Government published a response to recommendations made in a joint report from Communities and Local Government and Work and Pensions Committees and provided details of their fresh approach to funding supported housing: Their approach segments supported housing into three types:

A 'Sheltered Rent' – for those in sheltered and extra care housing

Introducing a 'Sheltered Rent', a type of social rent, which keeps funding for sheltered and extra care housing in the welfare system

The social housing regulator will use existing powers to regulate gross eligible rent (rent inclusive of eligible service charges) charged by registered providers.

Funding for existing supply will be maintained at current levels, new supply will be subject to the regulation and capped.

This model will come in to effect from 2020.

Local Grant Fund – for short-term and transitional supported housing

This includes supported housing for homeless people with support needs, people fleeing domestic abuse, people receiving support for drug and alcohol misuse, offenders and young people at risk.

100% of this provision will be commissioned at a local level, funded locally through a ring-fenced grant, and underpinned by a new local planning and oversight regime. This means all the funding for housing costs (including rent and eligible service charges) that were previously met from Housing Benefit, will instead be allocated to local authorities to fund services that meet the needs of their local areas.

This model will come in to effect from 2020.

Welfare System (Housing Benefit/Universal Credit) – for long-term supported housing

For long-term supported housing – including supported housing for those with learning disabilities, mental ill health and physical disabilities, as well as highly specialised supported housing.

As Local Housing Allowance rates will no longer be applied, 100% of housing costs (rent inclusive of eligible service charges) will continue to be funded as at present through the welfare system (subject to the application of the existing housing benefit/Universal Credit rules).

The Government are intending to develop and deliver improvements to cost control, quality and outcomes.

Consultation is now open and runs until 23rd January 2018.