



Department  
for Work &  
Pensions

# Local Housing Allowance and Funding Supported Housing

Housing LIN Cymru Symposium

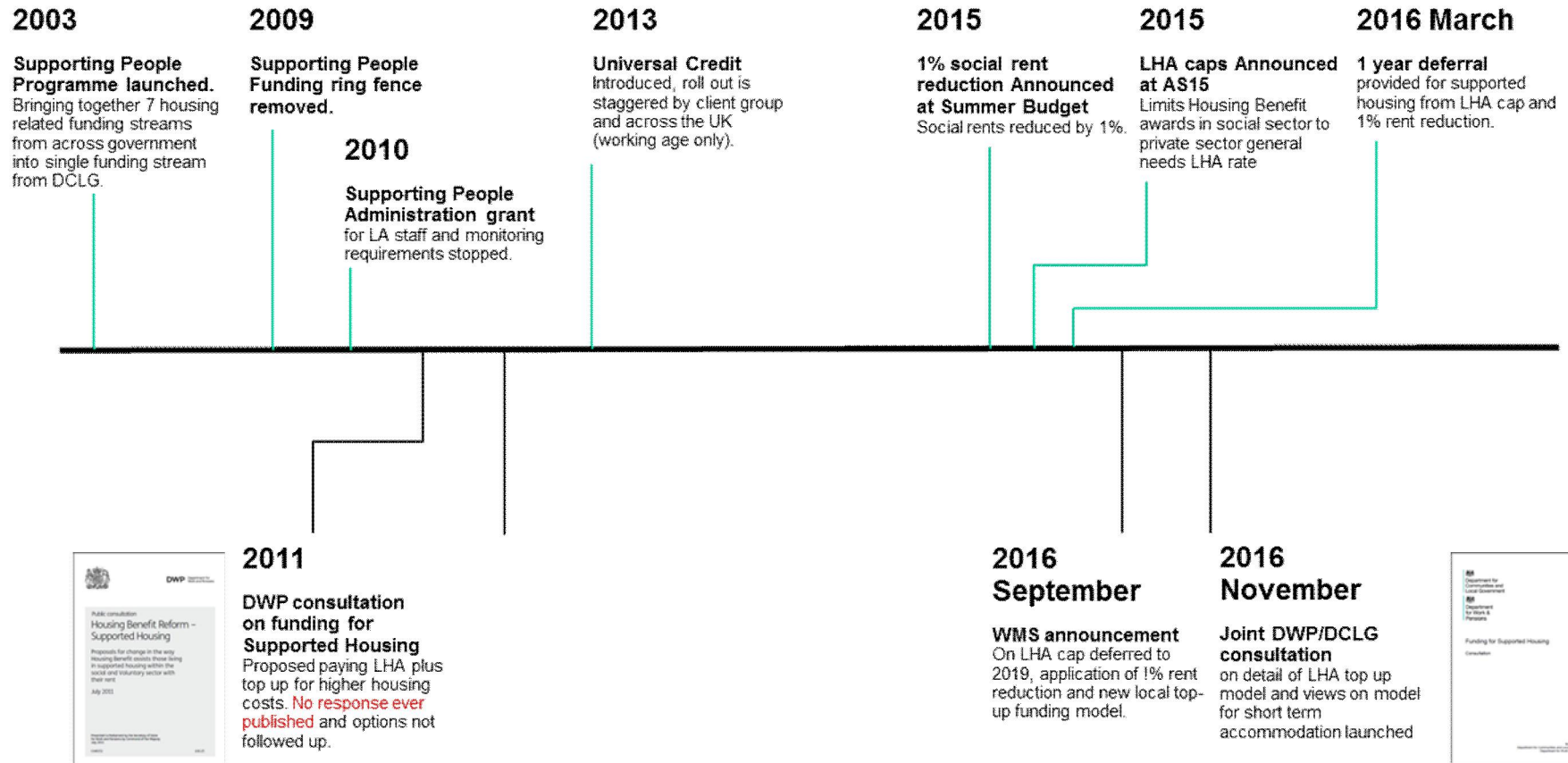
7 November 2017

# The Supported Housing Sector

One of the Government's key commitments is to protect the most vulnerable, Supported housing supports hundreds of thousands of the most vulnerable people across the country. A safe, stable and supportive place to live can be key to improving people's lives, and for many it is a stepping stone to independent living in the longer term. The Government values the role supported housing plays and is committed to protecting and boosting the supply of supported housing and ensuring it provides value for money and works for those who use it as well as those who pay for it.

Damian Green, Secretary of State  
November 2016

# How the policy has developed.



## Why did the Government announce these changes?

- **To secure supply now and in the future**
- **To strengthen focus on outcomes, oversight and cost control**
- **To ensure the funding scheme works with the modernised welfare system**

## What was the model announced in 2016?

- LHA applicable to all social sector housing (announced in Autumn Statement 2015)
- Deferring Local Housing Allowance rates in the social sector until 2019/20 for supported housing
  - Deferral extends to fully mutuals/co-operatives, alms houses and community land trusts.
- From 2019/20 core rent and service charges will be funded through Housing Benefit or Universal Credit up to the level of the applicable LHA rate including for those living in supported accommodation.
  - Shared Accommodation Rate will not apply to people living in the supported housing sector.

## What was the model announced in 2016?

- For costs above the level of the LHA rate, Government will devolve in England an amount of funding for disbursement to local authorities to provide additional 'top up' funding to providers where necessary
- In Wales and Scotland, an equivalent amount will be provided to the devolved administrations
- No model announced for short-term supported housing – we continued to develop this with the sector

## What is the new funding model?

- The new funding model was announced by Marcus Jones on 31 October 2017.
- Sheltered Housing and Extra Care funding remains within the welfare system as now (HB and UC)
  - **In England** a “Sheltered Rent” will be introduced from 2020. This will set rent increases for gross rents (i.e. inclusive of eligible service charges).
- Short-term and transitional supported housing costs currently met by HB will be met entirely by a new fund devolved to LAs in England, with equivalent funding provided to devolved administrations
- Long-term supported housing costs will continue to be met through welfare benefits, and we will continue to work with the sector to deliver our policy goals

## Next steps

- Funding regimes for long-term, sheltered housing and extra care already in place
- Sheltered Rent will commence from April 2020
- Consultations on Sheltered Rent and Short-term supported housing grant close on 23 January 2018
- We will continue to work with the sector on long-term supported housing:
  - To strengthen focus on outcomes, oversight and cost control; and
  - Ensure the funding model works with the modernised welfare system (i.e. can be delivered in UC)