

Briefing: Funding Supported and Sheltered Housing

House of Commons Debate on supported housing – Wednesday 25 October, 4pm

Further to the well-attended Westminster Hall debate on Tuesday 10 October, there will be an additional opportunity to debate the funding of supported housing this coming Wednesday, 25 October, at 4pm in the House of Commons.

This is a crucial opportunity to press the Government on the need to implement a sustainable funding model for these vital homes and services, providing support for over half a million people across England. We hope MPs will attend the debate to demonstrate the value of supported housing, and call on the Government to provide a sustainable funding model in order to put supported housing on a secure footing.

How you can help

- 1. Call on the Government to commit to ensure supported housing is fully funded and sustainable.**
- 2. Remove the threat of the Local Housing Allowance Cap to supported housing.**
- 3. Highlight the difference supported housing makes to your constituents.**

Supported and Sheltered Housing

The National Housing Federation is the voice of England's housing associations. The sector is the largest provider of supported and sheltered housing in the country, providing homes and services to over half a million people across England. The great majority of these homes are sheltered housing for older people or housing for people with long-term disabilities, but also include veterans housing, homelessness hostels and refuges.

Services play a crucial role in providing a safe and secure home with support for people to live independently and get their lives back on track. It is vital that we get funding for these schemes right to tackle homelessness, minimise the burden on the NHS and improve people's quality of life.

Background

At the Comprehensive Spending Review in November 2015, it was announced that the Local Housing Allowance (LHA) cap would apply to all new tenants living in social housing from April 2018¹. In September 2016 the Government revealed details of its [proposal for the future funding of supported housing](#), extending the restriction to all tenants on Universal Credit and putting back the commencement date to April 2019. The announcement also confirmed the annual 1% rent reduction would apply to supported and sheltered housing from April 2017 for three years². At the same time, money will be transferred to local authorities to allow them to fund the additional costs.

Rents and service charges in housing association supported housing are regulated but are usually higher than in general needs social housing because of the extra costs of building adaptations and the needs of the people who live there. Cutting tenants' Housing Benefit down to the level of LHA will mean that in many parts of the country there will be gap between the rent charged and the benefit available to pay it.

¹ Applicable to all new tenancies signed from 1 April 2016

² The rent cut will not apply to refuges.

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This funding uncertainty is already affecting housing associations' ability to invest in much-needed supported accommodation, forcing boards to make difficult decisions owing to uncertainty about their future income. We recently published data showing an 85% drop in the number of new supported and sheltered homes that are planned to be built³.

Will this provide security for vulnerable people?

The promise in the September 2016 announcement that funding will be ring fenced is very welcome. The Government also gave a very important commitment not to use the Shared Accommodation rate of Local Housing Allowance for people under 35. However, the lack of security of funding within the new system is already impacting tenants and has led to housing associations reducing plans for new schemes. Key concerns are:

- how local authorities will prioritise money between people and protect existing tenants
- how funding can grow in line with future needs
- how long will the ring fence around the money last
- how we ensure that services requiring a relatively small amount of additional funding, for example sheltered housing, aren't caught up in costly administration
- how we ensure that vulnerable tenants in areas where private sector rents are low are not disadvantaged by these changes and can still afford decent appropriate supported housing

These concerns were echoed by the inquiry into the future of supported housing run by the [DWP and DCLG joint Select Committee](#). This report stated that "the Government does not seem to be aware of the impact its funding proposals are already having on the supported housing sector". The Select Committee's unanimous recommendations stated that the system should not be based on LHA rates because these bear no relation to the costs of providing supported housing across the country.

Our proposal

Our recommendation for the future funding of supported housing returns stability to the housing of vulnerable people. It reflects the collective view of the housing association sector⁴. We propose:

- **Housing costs** are met in a way which gives long-term certainty to funding for residents and providers, to enable continued investment in homes and services that meet residents' needs.
- The Government should announce a **supported housing allowance**, set at a higher level than LHA; that older people's sheltered accommodation is removed entirely from the proposed policy changes; and that the Government urgently consult on the funding mechanism for very short-term provision

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³ National Housing Federation, Supported and Sheltered Housing Survey, http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Supported_and_sheltered_housing_survey_research_briefing.pdf

⁴ National Housing Federation (2016) Online here: <http://www.housing.org.uk/resource-library/browse/proposal-for-a-strong-and-sustainable-future-for-supported-and-sheltered-housing/>