

Future funding of supported housing – policy briefing for Starts at Home

The National Housing Federation is the voice of England's housing associations – a sector that is the largest provider of supported and sheltered housing in the country, providing homes and services to over half a million people across England.

While most of these homes are sheltered housing for older people, housing associations also provide the vast majority of supported housing for other vulnerable groups. For example, the sector provides 85% of the units for designed for ex-offenders, 73% for those at risk of domestic abuse, 75% for people with drug and alcohol misuse needs, and 66% for homeless families.

Supported and sheltered housing plays a crucial role in providing a safe and secure home with support for people to live independently. Housing associations remain fully committed to building and providing these vital homes and services.

Future funding model now confirmed

In October 2017, the Government published two consultations on the future funding of supported, sheltered, and extra care housing. The sector strongly welcomed the decision taken by the Government that the Local Housing Allowance cap should not apply to supported or sheltered and extra care housing and that this formed no part of the consultation proposals.

However, as part of our consultation response, we shared the concerns of many of our members that the proposals for short-term supported housing, which were proposed as being funded through a local authority ring-fenced grant, would not provide the funding security needed.

In August this year the Government published its response to these consultations, confirming that housing costs would continue to be paid through Housing Benefit for all supported housing.

The full announcement is [available on the Government website](#).

After years of insecurity, we believe this latest announcement finally provides the certainty needed for housing associations to continue providing and building vital homes and services that allow thousands of vulnerable people to live independent fulfilling lives.

We know that leaving funding for housing costs in the benefit system was not the preferred option for all of our members, but overall we believe this is a much more secure system than relying on a ring-fenced grant.

Further detail on future funding

- **Housing costs will remain in the benefit system for all supported housing**, including schemes intended for people to stay for a significant period, sheltered and extra care, and those for people to stay for just a short time.
- We understand **there will be no further consultation** on long-term supported housing, as previously expected.
- The Government have also confirmed that **there will be no introduction of a ‘sheltered rent’**, which means there will be no cap on services charges in sheltered and extra care schemes. We were concerned that a cap of this nature would disincentivise development of sheltered and extra care housing, meaning the gap between need and provision would continue to grow, so this announcement is very welcome.
- **While housing costs will remain in the benefit system they will not be paid through Universal Credit.** In the press statement the Government said that ‘Housing Benefit will remain in place.’ We are seeking to clarify what this means in practice and confirm that this still ensures long-term funding security.

Why the Starts at Home campaign is still important

That the Government have heard the concerns of the sector and changed their minds is a testament to the fantastic local lobbying carried by all of our members up and down the country, including writing to hundreds of MPs and opening the doors of your schemes to politicians and stakeholders. [The Starts at Home campaign](#) was integral to this.

This year’s Starts at Home Day, on 31 August 2018, will be a celebration of supported housing, as we need to continue demonstrating the value of supported housing schemes and the difference they make to people’s lives, safeguarding their future over the long-term.

This is particularly important because while we now have certainty over how housing costs will be funded, the Government has announced they will be carrying out a review of support funding, which is still under huge pressure across the sector.