

Welfare reform and supported housing

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Supported housing

- Previously exempt from the benefit cap but then the LHA cap was announced
- Single people under 35 and Shared Accommodation Rate – will those with support needs be protected?
- Supported housing tenancies to be affected will date from 1st April 2017 (as opposed to 1.4.16 for other tenancies)
- Ipsos MORI research

Social rented housing in Scotland

- Generally social rented sector rents are much lower than private sector rents in Scotland
- The LHA cap, however, would be lower than rents for supported housing and for those under 35 years of age
- The need to ‘protect’ supported housing and prevent ‘unintended consequences’

Under 35 year olds

- Exemptions from the SAR as applied to the private sector – this would help some people but has yet to be confirmed
- 1 bed HA flats all above SAR LHA rate (avg rent £68.56 v £62.34 avg SAR rate)
- The **shortfall** between the LHA Shared Accommodation Rate and **shared accommodation** rents likely to be between £68.08 and £86.75 per week in Scotland

LHA cap and supported housing

- Recognition in the Autumn statement that there would be a shortfall if LHA cap applied to supported housing
- Discretionary Housing Payments expected to pick up shortfall
- Apply from 1st April 2018 on tenancies started from 1st April 2017

Assessing the likely impact on housing associations

- Recent survey of housing associations by SFHA – report based on 8 HAs
- Potential loss to a tenant ranged from £4.48 pw to £243.93 pw (1 bed property at LHA 1 bed rate) – supported housing
- Overall loss to 8 HAs could be £5.2m - £14.3m (supported housing and SAR more generally)

Raising concerns and response so far

- Letters to Lord Freud and parliamentary questions raised
- Importance of the Ipsos MORI research to inform future direction stressed
- Delay to tenancy start date – 1st April 2017 (but LHA cap still to apply from 1.4.18)

Delaying tenancy start date

- Provides breathing space but does not take away the uncertainty
- Need to know exactly which tenants do and do not need to be alerted to the future changes
- It will help new tenants of longer term supported housing move in with more confidence about their own rent payments but they may have concerns about the shape of the service in the future

DWP commissioned research - purpose

- 'information regarding the scale, shape and cost of the supported housing sector' (DWP/DCLG brief for researchers)
- Timescale – end of April 2016

DWP commissioned research - Scotland

- 2 focus group meetings in Scotland
- Qualitative interviews
- LA survey and a providers survey

What might the future look like?

- Localising funding to cover additional housing costs associated with supported housing but there are concerns that entitlement to help with higher rent levels for supported housing would be broken – for this reason an exemption for supported housing from the LHA cap would be preferable.
- What do you think?

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