

Supported housing and benefit changes

Scottish Housing Network Welfare
Reform Forum

Glasgow

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Overview

- Background
- What is at stake – profile of supported housing
- Planned changes and timescales
- Current consultations
 - Inquiry
 - Short term supported accommodation
- Discussion

Background

- Funding of housing element of supported accommodation has been under review since 2011*
- The UK Government denies that its plans for supported accommodation are about cost cutting. Damian Green, Secretary of State for Work and Pensions on 21st Nov 2016 stated the government's intention is to ensure **'that the sector continues to be funded at the same level it would have otherwise been in 2019/20'**

* DWP, [HB Reform – Supported Housing](#), July 2011

Background – continued

Reasons for changing the way supported housing is funded through benefits:

- General introduction of the LHA cap for social rented housing
- Concern about quality and outcomes
- Concerns about ‘cost shunting’

Profile of supported housing

- Supported housing under the current system (as set out in the Ipsos MORI report*)
 - 14% of social rented housing is supported housing (but some of these units will be bedspaces)
 - These are located in England (85%), Scotland (9%) and Wales (6%)
 - SH landlord in Scotland: 43% HAs (76% in England); 43% LAs (14% in England); 11% Voluntary organisations / registered charities; 2% Other

*Supported Accommodation Review – The scale, scope and cost of the supported housing sector, Nov 2016, DWP and DCLG

Overall funding

- Total of £4.2B spent on supported housing through housing benefit (17% of the total spent on HB)
- The amount relating to Scotland is estimated to be 10% of the total at around £401M
- Ipsos MORI do not set out what amount of this £401M would represent payments above the appropriate LHA rate.

Planned changes

- The LHA cap to apply from 2019/20 for supported housing (and general needs housing)
 - The LHA cap to apply to all tenants on Universal Credit regardless of tenancy start date
 - The LHA cap will apply to people on HB if tenancy started after 31.3.16 but:
 - protection for people on HB if tenancy started before 1.4.16
 - transitional protection for people if they are moved onto UC from HB after 1.4.19
 - protection for people on UC when they reach pension age and revert to HB if tenancy started before 1.4.16
- £70m additional Discretionary Housing Payment across GB to help provide transitional protection

Planned changes - continued

- The minimum LHA rate for supported housing will be the 1 bedroom rate rather than the Shared Accommodation Rate
- A 'top up fund' will be provided to help cover the shortfall between the LHA rate and actual rent/eligible service charge
- 'Short Term' supported housing may be dealt with separately – through a placement scheme

Timetable

Timing	Activity
Nov 2016 To Feb 2017	Consultation up to 13 th February Stakeholder engagement events Task and finish groups including one on Short term accommodation - developing options for a workable and sustainable funding model or models for short term accommodation
Spring 2017	Green Paper on detailed model(s) and funding distribution consideration
Autumn 2017	Announce detailed funding model(s) and local authority funding allocations (including, presumably, a devolved fund for Scotland)
April 2018	Shadow year arrangements
April 2019	Commencement of new funding model(s)

'Short Term' Supported Housing

- Sustainability of hostels and refuges under UC – concerns about the risk to rental income where length of occupancy is less than payment period under UC.
- The DWP is exploring the scope to create a separate programme to fund 'short term' supported:
 - Consultation
 - Task and Finish Group
- Key issues:
 - Definition of service/client group
 - Will one model for all short term accommodation suffice?
 - Scope for programme to be devolved to Scotland?

'Short Term' Supported Housing

Propose 'working definition' :

'Transitional housing accommodation and support to meet the needs of people and achieve outcomes that enable appropriate and timely move on.'

Overall - implications for Scotland

- Management of devolved 'top up' fund – decision to be made about whether or not to devolve to LAs
- Definition of supported housing for purposes of obtaining 'top up':
 - scope for Scotland to decide definition?
 - scope to open up the fund to all supported housing including Private Rented Sector and LA
 - scope to include 'retirement housing' (ie former sheltered housing that no longer includes support but has higher rent/service charge due to housing design and provision of facilities for older people)

Engage with consultations

[Inquiry into Supported Housing Funding](#) – launched by DWP and DCLG Select Committees; deadline 3rd February 2017

[Consultation on Funding of Supported Housing](#) – deadline 13th February 2017

Key questions

- What impact is there / will there be on people in supported housing or looking for housing and support in the future?
- What degree of security is required to sustain services?
- Should 'short term' accommodation be dealt with separately?
- How could a new 'top up' fund be managed to ensure that services continue to be funded and to what extent should it be open to wider range of supported accommodation than current Specified Accommodation?

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