

Briefing Paper

Future of Supported Housing

May 2017



Bramble Court in Brampton, Cumbria. An Extra Care Elderly scheme provided by Impact Housing Association and part-funded by Cumbria County Council. Because of uncertainty regarding the future funding of supported housing, Impact Housing Association has been unable to progress any further schemes.

Introduction

The Parliamentary Committees for Communities & Local Government and Work & Pensions published their report 'Future of Supported Housing' on 1st May 2017. The purpose of this briefing paper is to summarise the report and to provide some commentary.

More than 700,000 people in the United Kingdom benefit from the support and supervision provided within the supported housing sector. Most provision is sheltered accommodation for older people, but this sector also includes housing for people with learning and physical disabilities, individuals at risk of homelessness, refuges for women and children at risk of domestic violence, and many other client groups. Government is proposing changes to how supported housing is funded.

Supported Housing sits within the remit of both the Communities & Local Government Committee and the Work and Pensions Committee. They therefore held a joint inquiry to scrutinise the Government's funding proposals and recommend how they might be improved. During their inquiry, the committees heard directly from supported housing residents, who told them how much they valued the independence and improved quality of life afforded to them by this provision.

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In September 2016, the Government announced proposals for a new funding model for supported housing that would operate from April 2019. Under the new model, core rent and service charges would be funded through Housing Benefit or Universal Credit up to the level of the applicable Local Housing Allowance rate. For costs above the Local Housing Allowance rate, the Government would devolve ring-fenced top-up funding for disbursement by local authorities. The government followed its announcement with a consultation paper in November 2016.

The Report has three chapters. The first considers the value of supported housing, both the extent to which it delivers cost savings to the wider public sector and its impact on residents' quality of life. It moves on to consider whether the quality of provision is of a high standard, and how oversight mechanisms might be improved. The second chapter focuses on the Government's funding proposals, and considers whether the Local Housing Allowance rate is an appropriate starting point for a new funding model, how the top-up funding should operate, and whether the new funding mechanism should be piloted in advance of its nationwide roll-out. The final chapter examines issues associated with short-term accommodation, including whether an alternative funding mechanism would be necessary and whether Housing Benefit and Universal Credit create barriers to finding work or leaving supported housing when residents are ready to do so.

The committees support the Government in seeking to find a long-term, sustainable funding mechanism that ensures quality, provides value for money, and that protects and boosts the supply of supported housing. But they share the concerns expressed across the sector that the funding proposals, as they stand, are unlikely to achieve these objectives. They frequently heard that the Local Housing Allowance rate was an inappropriate starting point for a new funding mechanism for supported housing.

Although recommendations for alternative structures are less forthcoming, they propose that the Government introduces a Supported Housing Allowance, banded to reflect the diversity of provision in the sector and sufficient to ensure supported housing tenants will only require recourse to top-up funding in exceptional circumstances. They further recommend that emergency accommodation is funded through a locally administered grant system, while refuges, that operate as a national network, should have a separate funding mechanism that reflects their unique role.

Their recommendations seek to complement the Government's proposals, and to enable delivery of our common goal of a sustainable, long-term funding solution for supported housing that boosts the provision of high quality homes, while providing greater local control over spending and value for money.

Background

Previous government legislation and announcements had cast doubt over the future funding of supported housing. In particular:

- The Welfare Reform and Work Act 2016 provides for all social and affordable rents to be reduced by 1% a year between 2016 and 2019. While supported housing was exempted from this requirement in 2016 there were fears that this would affect the viability of some schemes.
- The government is proposing to cap housing benefit at the level of the local housing allowance from 2018. If this were to be applied to supported housing where rents and service charges are relatively high, it would remove the entitlement of residents to full benefit also making schemes unviable.

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- Universal Credit is based on the concept that, when fully implemented, the housing element of the benefit will cover only core housing costs with additional funding being provided for housing support. However, the government had yet to announce how this additional funding would be provided.

In view of this the government committed itself to a review of the funding of supported housing. The statement made on 15th September 2016 was a prelude to the announcement of the review.

The key elements of the announcement of 15th September were as follows:

- All housing costs for supported housing will be met. Housing costs will be paid through the benefits system up to the local housing allowance level with a top-up paid by the local authority.
- To enable this top-up to happen, there will be a transfer of funds from the Department of Work and Pensions to the Department for Communities and Local Government. They will then allocate funds to local authorities by a mechanism yet to be decided on.
- There will be a ring-fence around the transferred sum and it will be strictly only available to pay for supported housing costs.
- There will be no Shared Accommodation Rate in the calculation of the local housing allowance rate for tenants in the new system. The one-bedroom local housing allowance rate will be used for people under 35 living in supported housing.
- The Government believes a different system needs to be worked out for short-term transitional services and it will consult on this.
- Budgets will also be transferred to the Scottish, Welsh and Northern Irish governments to enable them to devise their own arrangements

Our briefing paper on the September announcement can be downloaded from: <http://www.awics.co.uk/dynamicdata/data/docs/funding%20of%20supported%20housing%20-%20briefing%20paper.pdf>

The new system is planned to be implemented from 2019 and the Local Housing Allowance cap will not apply to supported and sheltered housing until then. From 2019 it is proposed to apply the local housing allowance cap to all claims in supported and sheltered housing with some exceptions including domestic violence refuges. The 1% annual rent reduction required by the Welfare Reform & Work Act 2016 will apply to sheltered housing from 2017 to 2019.

The Consultation Paper of November 2017

The government published a consultation paper in November 2017. The consultation said that the local 'pot' would give the Greater London Authority, Unitary and County Councils an 'enhanced role; in commissioning supported housing in their area and allow them to 'take a more coherent approach'. The government says that:

"We want quality and a focus on individual outcomes to play a greater role in how we fund the sector."

The consultation questions include whether there should be a national statement of expectations or a national commissioning framework 'within which local areas tailor their funding'. The amount of top-up funding will be set 'on the basis of current projections of future need' and will be based on a 'general definition; of supported housing, rather than having separate ringfenced posts for different client groups.

However, the government also proposes to introduce statutory duties for councils to protect housing provision for specific vulnerable groups. The consultation paper says that the government recognises short-term accommodation such as hostels and refuges have 'particular challenges'. The government says that it will work with the sector to develop further options to ensure providers of shorter-term accommodation 'continue to receive appropriate funding for their important work'.

As housing is a devolved function outside England, the consultation paper states that:

"The devolved administrations (will) receive a level of funding in 2019/20 equivalent to that which would otherwise have been available through the welfare system in order to meet the additional costs of supported housing."

The devolved administrations will then be free to make their own arrangements for the funding of supported housing.

The consultation will run until 13th February 2017 and a Green Paper with the detailed arrangements for the local top-up model will then be published in the spring. The final package will be announced in autumn 2017 ahead of the new model becoming operational from April 2019. The government proposes putting shadow arrangements in place from April 2018 on the detail and allocation of funding.

Our briefing paper on the consultation paper can be downloaded from: <http://awics.co.uk/htrack/awics.co.uk/dynamicdata/data/docs/funding%2520for%2520supported%2520housing%2520consultation%2520%257E%2520briefing%2520paper.pdf>

Financial Considerations

The Government's Supported Accommodation Review estimated the annual cost of supported housing covered by housing benefit to be £4.1billion in 2015. A further £2.1billion was spent on additional supervision, support and care services, with funding typically from local authority adult social care services, housing and homelessness budgets. This indicates a total public expenditure on supported housing of approximately £6.2billion in 2015. Rents in the supported housing sector are higher than in general needs accommodation. The Government's 2014/15 analysis of average rents in supported housing showed the average cost of supported housing for older people was £127 per week, although this ranged between £50 and £600 per week. For working-age people it was £214 per week, ranging from £133 per week for people with physical disabilities to £277 per week in refuges for women at risk of abuse. The committees found that, while it was difficult to provide a comprehensive list of reasons why supported housing rents were higher in this sector, these included 24-hour staffing of some facilities, the installation and monitoring of CCTV, high turnover rates in the accommodation and repair costs, and enhanced fire monitoring and safety equipment.

While supported housing is more expensive than general needs accommodation, it generates substantial cost savings for other parts of the public sector. Marcus Jones MP, Minister for Local Government, told the committees that the net benefit of providing supported housing to the wider public sector was estimated to be £3.5billion per year. Caroline Nokes MP, Parliamentary Under-Secretary of State for Welfare Delivery, told the committees that there are significant cost savings to the social care budget that arise from supported housing.

Cost savings were also highlighted by a number of industry stakeholders, including the important role the sector plays in delivering and supporting outcomes in other public services, such as the National Health Service and the criminal justice system. The National Housing Federation told the committees that, for older tenants, the annual saving to the taxpayer, through reduced reliance on health and social care services, was estimated to be £3,000 per person. For people with learning disabilities and mental health issues, the saving was between £12,500 and £15,500. The Associated Retirement Community Operators said that people in extra-care housing cost the National Health Service 38% less than the average population in general needs accommodation. Gillian Connor, Head of Policy and Development at Rethink Mental Illness, told the committees that the costs of supported housing compared favourably to the cost of National Housing Service provision, highlighting that a stay on an acute ward in the National Health Service could amount to many multiples of the cost of the average daily rent for working age people in supported housing.

The Committees' Conclusions and Recommendations

The Committees concluded that:

“During our inquiry, we met some of the 700,000 people who live in supported housing across the UK, from older people and those with learning and physical difficulties, to survivors of domestic violence. All had a very similar message: supported housing gives them the dignity of independence, while ensuring they have the support they need. It is a cost-effective system, which the Government acknowledges saves in the region of £3.5 billion per year, through lower costs for the NHS, social care and criminal justice systems. It is also a system in considerable demand, with a reported 17,000 shortfall in supported housing places; a figure that could double within the next three years without Government intervention.

“The Government has chosen to reform the funding mechanism for this vital sector, citing the need for improved oversight of quality and value for money, greater strategic commissioning based on local need, and a desire to integrate the system within the existing structures of Universal Credit. We support these objectives, but have asked the Government to reflect on whether its proposed funding mechanism is best placed to meet them. In particular, we have been concerned by reports of providers choosing to postpone or cancel investment decisions, as well as increased levels of anxiety amongst vulnerable tenants who fear they may no longer have the guarantee of a home for life. Stakeholders have made suggestions for an improved funding mechanism that would have greater focus on the actual cost of provision, and be sophisticated enough to reflect the considerable diversity of provision in the sector.

“Our recommendations seek to improve the Government’s proposals, and make sure it is able to deliver on its ambition to create a sustainable, long-term funding solution for supported housing that boosts the provision of high quality homes, while providing a better life for tenants.”

Conclusion 1

The committees concluded that most supported housing is exceptionally good value for money, providing significant cost savings for the wider public sector, while maximising quality of life for tenants. However, while most of this provision is of a very high standard, some tenants told them that there were schemes of a disappointingly poor quality. The committees found that this can have especially damaging consequences for the most vulnerable tenants; and that there is currently limited oversight of the quality of provision in some areas, especially in England, and the Government is right to focus on this issue in its funding proposals.

They agree with the Minister for Welfare Delivery that the oversight arrangements in Scotland are better than they are in England, and believe lessons can be learned from the Scottish system to make the system of oversight in England simpler and more robust. They therefore recommend that:

- The Government should establish a set of national standards to enable monitoring of the quality of provision in all supported housing in England and Wales. These should have a specific emphasis on improving the quality of life that tenants experience in supported housing. All providers should be registered with their local authority, whether or not their services have been commissioned locally. Local authorities should undertake annual inspections of all supported housing schemes in their area to ensure a minimum standard of provision.
- Tenants must be able to make complaints about the quality of the service they are receiving without fear of the consequences. However, current redress mechanisms in England are unsatisfactory and require a thorough review by the Government. The Government should ensure tenants are appropriately and adequately supported in seeking redress where the quality of the service they receive is inadequate.

Comment: Presumably it would be for the United Kingdom government to introduce a new system in England and for the Welsh Government to introduce a new system in Wales. Tenants of supported housing are, by definition, vulnerable people and the government should therefore ensure that the quality of their housing is good and that complaints are handled appropriately.

Conclusion 2

The committees agree with the Government that it is necessary to find a long-term, sustainable funding mechanism that ensures quality, provides value for money, and that protects and boosts the supply of supported housing. However, they are concerned that the Government's funding proposals, as they stand, are unlikely to achieve these objectives.

The committees found that the Local Housing Allowance rate is an inappropriate starting point for a new funding mechanism for supported housing. The Local Housing Allowance rate is a measure for general needs housing in the private rented sector and bears no necessary relationship to the cost of providing supported housing. The Government proposed its new funding model on the basis that there was a correlation between the Local Housing Allowance rate and the cost of providing supported housing in different areas. However, the evidence that the committees received strongly suggests there is no such correlation. For many providers, especially those who own their properties outright, the cost of provision is remarkably consistent across the country. The Government's proposals mean some areas will have a far greater reliance on a local top-up than others that could create a disparity in the supply of homes and services offered in different parts of the country.

The committees are concerned that the Government does not seem to be aware of the impact its funding proposals are already having on the supported housing sector. The evidence they received is clear that some providers are reconsidering their investment plans considering concerns around the long-term reliability of funding, with many others fearing they will be forced to reduce existing levels of provision. The committees found that this is a further indication that the Government is not meeting its stated objectives, in this case to protect and boost the supply of supported housing. On the contrary, they found that current shortfalls in provision are expected to become substantially worse over the next decade without immediate Government intervention.

The committees consider that it is essential that the Government's funding proposals do not threaten the future supply of supported housing and so recommend that:

- The Government should undertake an assessment of the final funding proposal to assess its impact on the future provision of supported housing. This information should be provided to the successor Work and Pensions Committee and Communities and Local Government Committee in the new Parliament.

Comment: The fact that the government's proposals have created uncertainty that has all but stopped the development of new supported housing has been well documented ever since they were first suggested in 2015. Furthermore, the proposals contained in the announcement of September 2016 and the consultation paper of November 2016 did not give the sector confidence that proposed new system would provide sufficient funding for development even when it will be in place. The problem is that housing providers need either a capital grant or a sufficient rent stream backed by housing benefit and / or universal credit over the long-term to fund the borrowing that is required to develop a new scheme. The government's proposals create both uncertainty around the level of that future rent stream and create a potential for it to be reduced. As the committees note, supported housing is not only the most effective way of housing and supporting vulnerable people, but is also the cheapest. It is therefore both disappointing and surprising that the government is not taking a more positive approach. It is also worrying that the government does not appear to have carried out a rigorous assessment of the implications of either its short-term position or its long-term proposals. This is an area that needs an evidence-based and joined-up approach but this is currently lacking. A green paper was anticipated in the spring of 2017 but this has not been published due to the dissolution of Parliament. This is a matter to which the new government should give urgent and serious attention.

Conclusion 3

Stakeholders in the supported housing sector identified clear principles they thought should underpin a new funding mechanism. It should:

- Reflect the actual cost of provision, which is largely consistent across the country;
- Incentivise investment in all regions equally, not only the highest-value areas;
- Be sophisticated enough to reflect the diversity of provision in the sector, recognising that costs vary substantially and a funding mechanism that works well for older people might not be appropriate for those with more complex needs;
- Not introduce uncertainty into the long-term housing arrangements of vulnerable people.

With these principles in mind, the committees propose an alternative basis for the Government's new funding mechanism for supported housing and recommend that:

- The Government should introduce a Supported Housing Allowance, with a system of bandings for different types of provision and a cap within each band. The Supported Housing Allowance would be calculated according to a formula made up of two elements: a fixed amount that reflects the cost of provision, which is consistent between geographical areas; and a smaller, variable amount that reflects differences in land values in each area. The Government should work with the sector to identify bandings that adequately reflect the diversity of provision and variation in costs in the sector.
- The Supported Housing Allowance should be sufficient to ensure supported housing tenants only require recourse to locally-administered top-up funding in exceptional circumstances. To meet the Government's objective for greater oversight of quality and value for money in the sector, tenants should only be eligible for the Supported Housing Allowance if they live in accommodation registered for regular inspection by their local authority.

- A capital grant scheme should be introduced for new supported housing developments. This would mean that, even when the cost of land varied between high and low value areas, core rent and service charges for new accommodation would remain largely consistent with existing supported housing stock. Reducing the cost differences between old and new supported housing would simplify the funding mechanism, permitting greater oversight of costs and value for money, while reducing risk for providers and encouraging additional investment in the sector. The provision of public land for new supported housing, as highlighted by West Kent Housing Association, is a form of capital grant scheme that could benefit the sector.

Comment: Our own experience in the financial modelling of the government's proposed reforms, supports the committees' findings that while Local Housing Allowance varies significantly between areas the cost of providing supported housing does not vary to anything like the same degree. This means that capping housing benefit and universal credit at the level of the Local Housing Allowance as the government proposes would result in more significant constraints in low value areas than in high value areas. This issue needs to be addressed and the recommendations made by the committees appear to be a sensible approach. As noted above, the government's proposals themselves and the uncertainty that they have created have caused housing providers to stop developing new supported housing schemes. The committees propose a capital grant to support new development alongside their proposed Supported Housing Allowance. It would be useful for the government to do some financial modelling to evaluate the operational and cost effectiveness of capital grants and welfare support for rents and service charges as ways of funding supported housing. This could lead to an evidence-based decision on how to finance the development of new supported housing in future and the level of resources to allocate to this.

Conclusion 4

The committees conclude that a Supported Housing Allowance would refocus the funding mechanism towards the actual costs of providing supported housing, as opposed to where it is being provided. They consider that it would better reflect the fact that the cost of provision is broadly similar in different areas, reducing the large disparities that exist in the Local Housing Allowance rate and limiting disincentives for providers to focus new provision in areas where the Local Housing Allowance rate is highest. They calculate that a Supported Housing Allowance could be achieved at no additional cost to the Government.

The committees are aware of the lack of enthusiasm from local authorities for a ring fence that is insufficiently flexible to allow them to be innovative and respond appropriately to demand. However, providers were clear in their evidence that the ring-fence must be sufficiently robust to provide reassurance to investors and protect traditionally less well served client groups. The committees recognise that governments are unable to bind their successors and it is therefore difficult to provide a truly long-term guarantee for any ring-fence (an inherent consequence of the ring-fence based funding mechanism proposed by the Government) but they consider that it is important to investors that certainty is provided for as long as possible.

The committees recommend that

- The Government should guarantee the ring-fence around local authority top-up funding for supported housing for the duration of the next Parliament, and provide a clear indication of its desire for the fund to remain in the long-term. The Government should review existing guidance and statutory duties to ensure they are comprehensive enough to ensure no vulnerable groups are left behind under the new funding mechanism.

Comment: Previous experience with ring-fenced funding, for example for the Supporting People programme, leads many in the sector to fear that the ring-fence will eventually be removed; and local authorities (under financial pressure to maintain statutory services) would feel obliged to reduce expenditure on supported housing. For this reason, many in the sector would support the committees' recommendation. However, there are many in local government who wish to see a reduction in the detailed control that is often exercised by central government. Indeed, this is one of the principles of 'localism' that has led to the mainstreaming of many former specific grants in the local government finance system. Exponents of 'localism' could argue that the funding should be mainstreamed and local authorities trusted to take appropriate decisions about the level of funding for supported housing.

Conclusion 5

The committees concluded that it is vitally important for local authorities to be given the time and resources to collate the information they need to estimate current and future allocations of top-up funding for supported housing accurately. They concluded that the dangers of miscalculating requirements or having inconsistent approaches to data collection are severe and would put vulnerable people at risk, as well as leading to higher costs for the wider public sector. They recommended that:

- The Government should ensure local authorities have sufficient guidance, time and resources to collect the necessary data for the review of current and future need in their areas, even if this requires retaining the current arrangements for a longer period of time. Central funding of the top-up should be guaranteed for at least the duration of the next Parliament, to provide greater certainty to local authorities' funding cycles and long-term commissioning plans. Funding levels should be kept under regular review to ensure the top-up fund keeps pace with increases in the cost of provision and changes in local demand for different services.

Comment: While the government has suggested the creation of local funds for supported housing and has said that the opening budgets will be based on an assessment of need, they have yet to put forward their proposals for the calculation of the total budget or for its allocation between individual authorities. There is concern that the total budget may not be increased sufficiently to meet increasing need or that it may be distributed in a way that not all authorities would welcome. This recommendation addresses these concerns.

Conclusion 6

The committees heard that local authorities are confident they will be able to administer the new top-up funding, if they are given sufficient additional funding to carry out the new commissioning and oversight responsibilities. However, they found that the Government will need to consider carefully how funding and administrative responsibilities should be allocated within two-tier authority areas, given the existing division of responsibilities for administering housing benefit and commissioning health and social care services. They concluded that the Government should consult with local authorities to ensure they have the resources they need to administer the top-up funding; and that this should be separate from, and in addition to, the funding provided for disbursement to tenants in supported housing. They recommended that:

- There is a strong case for piloting the new funding model prior to a phased implementation. The Government has proposed significant changes to the way in which supported housing is funded, which will require considerable adjustment by both providers and local authorities. The Government must prioritise ensuring its new model works, protecting vulnerable residents, over and above meeting any self-imposed delivery deadlines.

Comment: A pilot scheme would enable government, local authorities and housing providers to assess the operation of the new scheme prior to it being rolled out nationally.

Conclusion 7

The committees concluded that the government is right to consider an alternative funding mechanism for very short-term accommodation, given the emergency nature of that provision and the inability of Universal Credit to reflect short-term changes in circumstance. However, they consider that the Government should consider a system of grants paid to local authorities so they are able to commission emergency accommodation in their areas; and that local authorities should pay providers directly, so services are available when they are needed. They therefore recommended that:

- Refuges for women and children have unique challenges within the supported housing sector. This should be reflected in a distinct model of funding, separate to the arrangements for other forms of supported housing. In particular, it is essential that refuges are able to operate as a national network, unrestrained by admission restrictions imposed by individual local authorities and with appropriate coverage across the country. The Government should work with Women's Aid and refuge providers to devise a separate funding mechanism for this sector, likely to require a nationwide plan for the provision of refuges, facilitated through Government grants to local authorities. The Government should reconfirm its target that 'no victim is turned away from accessing critical support services delivered by refuges' by 2020.

Comment: The need to maintain short-term accommodation, especially refuges for women and children is recognised by government and everyone in the sector. However, as the committees recognise, there is a need to ensure that the service is adequately resourced.

Conclusion 8

The committees found that while many supported housing residents are unlikely to be looking for work; a significant number of supported housing residents are of working age and keen to find employment. They consider it important, therefore, that the benefits system does not create barriers or disincentives to finding work for people who wish to do so. They found that, while the legacy system of Job Seekers Allowance and Housing Benefit—with its cliff edges, hours rules, and earnings limits—may have acted as a barrier to work for people in supported housing, especially those looking for part-time work, Universal Credit has largely removed many of the main disincentives. They consider that the government should ensure providers are aware that supported housing tenants claiming Universal Credit will not be worse off if they seek employment. On the contrary, a job should be seen as an important milestone towards independence and self-sufficiency.

The committees consider that it is important that people are able to leave supported housing when they are ready to do so, for their own independence and to free up valuable space for other vulnerable people. They found that lack of appropriate general needs accommodation and of funding to give people a necessary level of support in their own homes are key barriers to helping people move on; and that for younger people, benefits restrictions further limit their choices as they look to leave supported housing.

The committees recommend that:

- The Government should ensure the benefits system does not discourage people from leaving supported housing when they are ready to do so. Benefits restrictions that may be justified in the private rented sector should not be applied to those looking to leave supported housing. The Government should therefore extend the exemption from the Shared Accommodation Rate to younger tenants wishing to leave supported housing. We also recommend that 18 to 21 year olds leaving supported housing be eligible for Housing Benefit, unless in the view of the supported housing provider, it is appropriate for them to return home. This would give them a greater choice of appropriate accommodation and encourage them to move out of supported housing more quickly when they are ready, freeing up valuable housing for other vulnerable people. We further recommend that, in response to this report, the Government clearly set out how 18 to 21 year olds leaving supported housing will be assessed for eligibility for Housing Benefit against existing exemptions.

Comment: There is widespread concern in the sector about the restrictions that the government is placing on housing benefits for people aged between eighteen and 21. This concern focuses on vulnerable young people who do not have the option of returning to a parental home. The committees have reflected this concern.

Conclusion

The final conclusion of the committees is that:

“Our recommendations seek to improve the Government’s proposals, and make sure it is able to deliver on its ambition to create a sustainable, long-term funding solution for supported housing that boosts the provision of high quality homes, while providing a better life for tenants.”

The Status of the Government’s earlier announcements

In its announcement of September 2016 and its consultation paper of November 2016, the government expressed an intention to publish a green paper on the future funding of supported housing in the spring of 2017.

In March 2017, I was advised by the Supported Housing Programme Team at the Department for Communities & Local Government regarding the planned green paper that:

“At this stage, we do not have a publication date but still expect it to be published later this spring.”

However, in April 2017, I was advised by Kevin Udeh, Policy Advisor in the Supported Housing Team at the Department for Communities & Local Government that:

“Whilst we recently consulted on a new reformed funding model for supported housing, this matter will now be for the next Government to consider.”

This correspondence could be taken to mean that, even if the government is returned to power at the June 2017 general election, the approach that has been outlined last autumn may be reviewed.

The Response of the Sector

The report has been widely welcomed in the sector.

David Orr, Chief Executive of the National Housing Federation, told 'Inside Housing' that:

"With such strong cross-party consensus, it is clear that the next government must change course."

Tony Stacey, Chief Executive of South Yorkshire Housing Association said that:

"I have never seen a select committee report that has come down so definitely on one side of the fence. The government has to respond to this now. They should announce the plans have been scrapped immediately after the election and join the National Housing Federation, Place-shapers and the Local Government Association around the table to work out what system we can all agree on post-2019."

Angela Lockwood, Chief Executive of North Star Housing Association and Vice-Chair of the Place-shapers' group said that:

"It is essential that the (government) thinks again. We want to work with them on a solution, and there are lots of workable alternatives on the table."

Martin Hilditch, Deputy Editor of 'Inside Housing' wrote that:

"It appears unlikely that Supported Housing will become a major issue in this election. Nonetheless, it is to be hoped that the latest report does have an impact. The axe is hanging over some supported housing in this country... It is time that politicians and the general public sit up and listen to the warnings. If we don't discuss this now, and come up with a better solution, some of the country's most vulnerable people will be placed at risk."

Conclusions

The government's announcement of September 2016 and consultation paper of November 2016 confirmed that the rent reductions in England would apply to most supported housing and that housing benefit and the housing element of universal credit would be capped at local housing allowance rates. However, the report of the Parliamentary committees for Communities & local Government and Work & Pensions and the announcement that a general election will be held on 8th June 2017 have raised expectations that the new government, regardless of the outcome of the election, may take a different approach.

However, in view of the continued uncertainty it is unlikely that providers will be able to commit to new projects or to investment in existing projects in the meantime. It will be in the interests of local authorities, housing associations and residents of supported housing for the new government to give this matter serious attention as soon as possible after the election.

Adrian Waite
May 2017

Seminar: Developments in Local Authority Housing Finance in England 2017

June / July 2017

We are holding seminars on 'Developments in Local Authority Housing Finance in England' during June and July 2017. This seminar will look in depth at current developments in local authority housing finance in England – especially the implications of the outcome of the 2017 General Election for local authority housing, the Autumn Statement of 2016 and the Budget of 2017, whether the Housing & Planning Act 2016 will be implemented in full, the future funding of supported housing, the vote for Britain to leave the European Union, the affordable housing programme, the public finances, welfare reform, rent reductions, issues around the reinvigorated 'right to buy', sale of high value properties to fund the extension of 'right to buy' to housing associations and new development.

If you want to be up to date with the world of local authority housing finance, this is the seminar for you!

The seminar will address the following questions:

- What is the Political, Economic, Social and Technical Context?
- What will be the implications for local authority housing finance of the new government's policies on housing and welfare?
- How, and to what extent, will the Housing & Planning Act be implemented?
- How can councils develop effective self-financed business plans?

Who should attend?

All those with an interest in developments in local authority housing finance in England, including Managers in Local Authorities and Arm's Length Management Organisations, Elected Members, ALMO Board Members, Housing Accountants and Tenant Representatives. The session will assume a basic knowledge of local authority housing finance but will not assume that delegates are experts.

The session is accompanied by a very useful book entitled: **"Developments in Local Authority Housing Finance in England 2017"**

Venues and Dates:

London: Novotel Hotel, Waterloo – Wednesday 14th June 2017

North: Novotel Hotel, Leeds – Wednesday 5th July 2017

The price of the seminar is £195 plus £39 VAT, total £234.

For further information or to make a booking, please click here:
<http://awics.co.uk/developments-in-local-authority-housing-finance-in-england-2017-seminar>

Other AWICS Seminars

AWICS holds seminars on a variety of subjects of relevance to public services. Details of all our seminars can be found at: <http://awics.co.uk/seminars2017>

Our next seminars include:

- All You Want to Know about Service Charges in Social Housing
- All You Want to Know about Housing Association Finance
- All You Want to Know about Welsh Social Housing Finance
- All You Want to Know about Local Authority Finance
- All You Want to Know about Service Charges in Social Housing in Wales
- All You Want to Know about Local Authority Housing Finance

About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk.

Services that we offer include:

- Management Consultancy – <http://www.awics.co.uk/ManagementConsultancy.asp>
- Interim Management – <http://www.awics.co.uk/interimmanagement.asp>
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