

Cymorth Cymru responds to the publication of the UK Government's White Paper on the future funding of supported housing

Today the UK Government has published its long-awaited [White Paper](#) on the future funding of supported housing. This follows widespread criticism of its original plans to cap supported housing at Local Housing Allowance (LHA) rates, which led to huge uncertainty for vulnerable people, support providers, social landlords, lenders and local authorities in relation to the affordability, sustainability and future development of supported housing schemes.

Today's White Paper builds on the Prime Minister's announcement last week that the UK Government has **scrapped its plan to apply LHA rates to social housing**, including supported accommodation. The White Paper announces that **implementation of the new funding mechanisms for supported housing will be delayed until April 2020**. It also recognises the diversity of provision within the supported accommodation sector and sets out the UK Government's plans to **deal with different types of supported housing in different ways** (see below for more information).

Cymorth Cymru Director Katie Dalton said:

"We welcome the publication of the UK Government's White Paper, which shows that Ministers have listened to the wide-spread criticism of their original proposals. We are pleased to see confirmation that plans to apply the LHA cap to supported accommodation have been scrapped, and that implementation of new funding mechanisms will be delayed until 2020. This will give the Welsh and Scottish Governments an additional year to develop their own distribution models for the devolved funding. We remain committed to working with the Welsh Government on this issue.

"We welcome the UK Government's commitment to pay 100% of housing costs (rent and eligible service charges) through the welfare system for sheltered, extra care and long term supported housing. This should give landlords and funders the assurances they need to keep building and developing these important schemes to support older and vulnerable people.

"We welcome the UK Government's proposals to remove short term supported accommodation from the welfare system and devolve the funding for rent and eligible service charges to the Welsh Government. The delays associated with payment of universal credit would have made homeless hostels and domestic abuse refuges completely unsustainable, as well as causing problems for many other supported accommodation schemes that support the most vulnerable. However, the UK Government needs to give clear assurances that growth in people's needs and the cost of provision will be met by increases in funding to the Welsh Government.

"Now that we have more information about the UK Government's plans, Welsh Ministers need to guarantee that this funding will be ring-fenced for expenditure on supported accommodation. They also need to ensure that Supporting People funding remains ring-fenced for housing-related support and firmly rooted in their housing directorate.

"It is also important that Welsh Ministers recognise the benefits of existing Supporting People governance structures in Wales. The UK Government's White Paper outlines a new planning and oversight regime for England. However in Wales, we already benefit from the oversight, planning and needs assessments carried out by the Supporting People Regional Collaborative Committees. We therefore urge the Welsh Government to build on these structures to allocate both Supporting People funding and the proposed new funding for rent and eligible service charges in short term supported accommodation.

"We are committed to working with our members over the coming weeks to analyse the content of the White Paper and respond in further detail to the consultations."

ENDS

Notes to editor:

1. Cymorth Cymru is the representative body for homelessness and housing-related support services in Wales. Our members support people to live safely and independently, managing their own lives in their own homes. Types of services include sheltered accommodation for older people; refuges for families fleeing domestic abuse; supported housing for a range of vulnerable groups; homeless hostels; floating support delivered to people living in the community; and extra care schemes (www.cymorthcymru.org.uk)

Contact:

Cymorth Cymru Director Katie Dalton is available for interviews. Please contact the Cymorth Cymru office on 02920 553 687 or 07807 137505 after office hours.

Further information about the three approaches outlined in the White Paper

Please see below for further information about the three approaches to the three different groups of supported accommodation that the UK Government has outlined in their White Paper. The following information has been taken directly from the White Paper – please be aware that much of this is written with the English context in mind – we have added a comment in red regarding Wales.c

I. A ‘Sheltered Rent’ – for those in sheltered and extra care housing

(For more detailed information, see page 20 of the White Paper)

- For sheltered and extra care housing, often for older people but also including working-age tenants.
- Introducing a ‘Sheltered Rent’, a type of social rent, which keeps funding for sheltered and extra care housing in the welfare system.
- Better cost control, as the social housing regulator will use existing powers to regulate gross eligible rent (rent inclusive of eligible service charges) charged by registered providers. We are seeking views on the appropriate level to set gross eligible rent at through our consultation.
- This model will come in to effect from 2020.
- This will provide the certainty providers need in order to invest in future supply, whilst providing enhanced cost controls and ensuring value for money for the taxpayer, and good outcomes for tenants.

II. Local Grant Fund – for short-term and transitional supported housing

(For more detailed information, see page 23 of the White Paper)

- For short-term and transitional supported housing – including supported housing for homeless people with support needs, people fleeing domestic abuse, people receiving support for drug and alcohol misuse, offenders and young people at risk.
- 100% of this provision will be commissioned at a local level, funded locally through a ring-fenced grant, and underpinned by a new local planning and oversight regime. (In Wales we believe that this funding will be devolved to the Welsh Government, who will determine how it is distributed throughout Wales) This means all the funding for housing costs (including rent and eligible service charges) that were previously met from Housing Benefit, will instead be allocated to local authorities to fund services that meet the needs of their local areas.
- This model will come in to effect from 2020.
- As per the recommendations of the Joint Select Committee inquiry, this removes short-term accommodation costs from the welfare system and provides local areas with more oversight and control over the provision in their areas.
- An individual’s entitlement for help with their housing costs (through Housing Benefit or the housing cost element of Universal Credit) will be unchanged.

III. Welfare System (Housing Benefit/Universal Credit) – for long-term supported housing **(For more detailed information, see page 27 of the White Paper)**

- For long-term supported housing – including supported housing for those with learning disabilities, mental ill health and physical disabilities, as well as highly specialised supported housing.
- As Local Housing Allowance rates will no longer be applied, 100% of housing costs (rent inclusive of eligible service charges) will continue to be funded as at present through the welfare system (subject to the application of the existing housing benefit/Universal Credit rules).
- The Government will work with the sector to develop and deliver improvements to cost control, quality and outcomes.