



Llywodraeth Cymru  
Welsh Government

# **Supported Accommodation Review**

**CHC's Finance and IT Conference 14 July 2017  
Paul Webb, Welsh Government**

# Background

- In November 2016 the UK Government initiated a consultation on 'Funding for Supported Housing'.
- The consultation follows a Supported Housing Evidence Review carried out on behalf of the Department for Work and Pensions and the Department for Communities and Local Government.
- The consultation announced the UK Government's intent to defer the application of the Local Housing Allowance (LHA) rates to supported housing until 2019/20 and to bring in a new funding model for England at that time.
- UK Government committed to;
  - “ensure that supported housing continues to be funded at the same level it would have otherwise been in 2019/20”
  - “ensure that the devolved administrations receive a level of funding which would have been available through the welfare system in order to meet the additional costs of supported housing”.
- Prior to General Election UK Government had intended to produce a Green Paper in the Spring of 2017.

# Why?

- Desire to maintain the integrity of the Universal Credit (UC) system.
- Anomalies created by the payment of housing costs through UC, including for short term accommodation.
- The UK Government's view is that current system of welfare payments is not "well designed to ensure effective oversight of quality or control of spending to ensure value for money".
- The Supported Accommodation Review found annualised spend on supported housing that is covered by Housing Benefit (as at December 2015) to be £4.12 billion across Great Britain
- This figure has been growing and the move is from a demand led budget to a cash limited one
- The rationale for reform therefore includes consideration of how supported accommodation is planned for, commissioned and delivered and that growing demand is managed within the 'public spending context'.

Has the election changed the plan?



# What exactly are we talking about?

- Rent and Service charges that are associated with the additional housing management in supported accommodation. From April 2019, effectively all the costs over and above the 30<sup>th</sup> percentile of the LHA.
- The estimated annualised spend on supported housing that is covered by Housing Benefit in Wales was £225 million (as at December 2015)
- Don't yet know the impact of LHA rates but reasonable estimates are of a transfer to Wales up to £100 million
- The average annual cost per unit in receipt of HB is £6,900 in Wales. The equivalent GB figure is £7,200.
- Wales has about 6% of the total accommodation based supported housing units, but Welsh LHA rates are, on average, lower than in England.
- Estimated 38,500 supported accommodation units of which 30,500 for older people.
- The Supporting People budget for 2017/18 is £123,687.781.

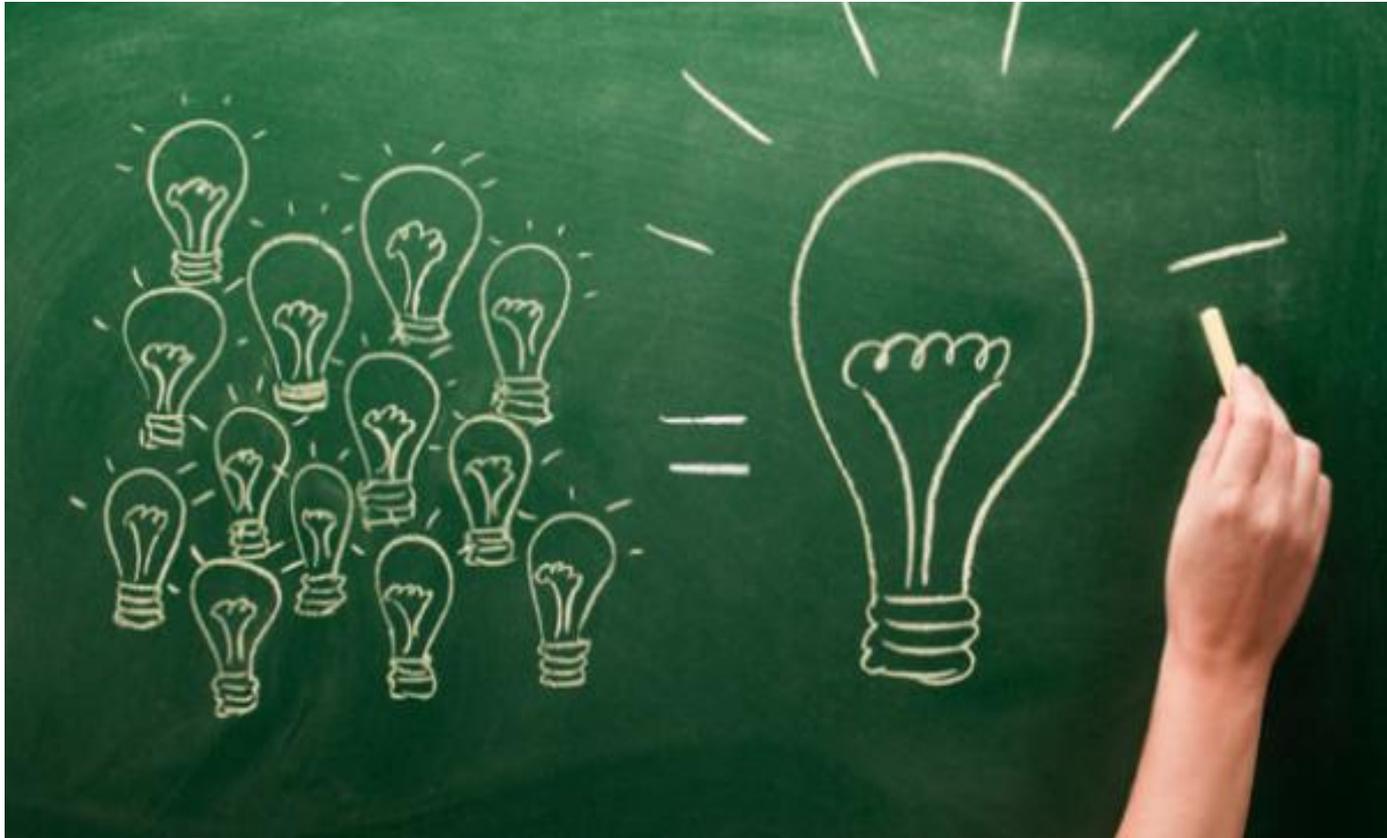
# What does it mean for Wales?



# The risks are

- The Welsh Government does not receive enough funding from the UK Government.
- The funding from the UK Government does not grow to meet increases in need and costs of supported accommodation
- We are not ready to implement a new system to meet the needs of supported accommodation and vulnerable people by April 2019
- Lenders and landlords do not have the long term assurances they need to plan and develop new supported accommodation schemes
- Existing supported accommodation projects being unable to continue
- Organisational viability is threatened.
- Vulnerable people do not have access to the supported accommodation they need

So what are we doing about it?



# Co-production objectives

- To develop policy advice for Ministers through the first three stages of the policy lifecycle; case for change, option appraisal and developing the preferred option.
- Deliver on the principles of the Well Being of Future Generations Act.
- Ensure Welsh Government has the information necessary to inform discussions with HM Treasury.
- Ensure there is a collective understanding of the challenges and risks faced by tenants, commissioners, landlords and developers, support providers.
- Ensure that there is a shared understanding of the opportunities to improve commissioning, oversight and the distribution of resources
- Ensure all audiences are aware of the developing position – and have opportunities to feed into the process.

Stakeholders such as Cymorth Cymru, Community Housing Cymru, Erosh and the Welsh Local Government Association have already expressed their commitment to working collaboratively with the Welsh Government during this process.

# Timetable

Date	Co-produced action	WG Action	UK Govt action
April 2019	Go live		
April 2018		Ministerial announcement	
March 2018	Preparation of final Ministerial advice	Preparation of implementation plan	
February 2018	Consideration of implementation issues	Formal consultation	
January 2018			
December 2017			
November 2017	Preparation of formal consultation		Autumn Statement
October 2017	Develop preferred option advice		Agreement of Welsh Block contribution
September 2017	Develop option appraisal advice		
August 2017			
July 2017			
June 2017			
May 2017	Case for Change advice		
April 2017	Steering Group established and engagement programme developed	Assessment of Supported Accommodation Review spend data	

# Engagement events

- Seeking to establish criteria by which the policy options should be judged e.g;
  - What protections are offered to existing provision
  - What transitional arrangements are necessary
  - To what extent should distribution reflect existing spend
  - What is fair distribution
  - What guarantees should be offered to individuals
  - To what extent should this be integrated into existing funding mechanisms and what should be separate
  - Should this fund be ring-fenced to housing management functions
  - What kind of strategic commissioning frameworks are necessary
  - How important is consistency across Wales, what is best done at the national, regional and local levels
  - How do we balance organisational viability with flexibility and responsiveness.

Questions?