



Llywodraeth Cymru
Welsh Government

Supported Accommodation What does the future hold?

**CHC's Annual Conference
16 November 2017
Paul Webb, Welsh Government**

Background

- In November 2016 the UK Government initiated a consultation on ‘Funding for Supported Housing’.
- 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 also 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”.
- On the 31st October the UK Government made additional announcements on Supported Housing which significantly changed the policy position.

What does the announcement mean?

- Confirmation that the decision not to apply LHA to the Social Rented Sector will not be revisited, the intention is that this is now 'off the table' long term.
- That funding for Sheltered and Extra Care Supported Housing will remain within the welfare benefit system. Claimants will continue to have their rent and eligible services charges paid through Housing Benefit There is no longer an intention to devolve funding in relation to this housing.
- Similarly, funding for long term / disabled supported housing will remain within the welfare benefits system for the time being but Department for Work and Pensions will be considering ways to merge into Universal Credit system.
- However, the intention still remains to devolve funding for 'short-term' supported housing to Wales. This will include both core rent and additional housing management costs meaning all the funding of these settings will be within Welsh control. This avoids the problem created by the 6 week delay in the payment of Universal Credit.
- However, this will now proceed at a slower pace with funding now planned to be devolved from April 2020 rather than 2019 as previously indicated.

Why were they doing this?

- 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'.

Why have they changed their mind?



What have we done so far?



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
- 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

Key messages from stakeholders

- Ring fencing
 - Out of RSG
 - Specific to supported accommodation
 - Specific to client groups
- There are different elements which might suit different answers
 - Older person
 - Short term
 - Long term
 - Social Care commissioned
- Transitional funding guarantees
 - To the project not individual
 - Implications for distribution
 - Link to business plans
 - Link to strategic planning mechanisms
- Self funding implications
- Don't reinvent the standards wheel
- Mixed views on delivery mechanism
 - National/regional/local
 - Tied to existing grant mechanisms or exclusive.
- Value for money
- Sizing the pot
 - Growth in demand
 - Unquantified demands such as Grenfell

Are there any other moving parts?



Questions?