



Llywodraeth Cymru
Welsh Government

Supported Accommodation Review

CHC's One Big Housing Conference

5 October 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 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”.
- Prior to June Election UK Government had intended to produce a Green Paper in the Spring of 2017. We now expect a White paper imminently.

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'.

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 30th 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?



Key messages from the engagement

- 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

Next steps

Questions?