



Craig Whittaker MP

CALDER VALLEY

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Response to Local Housing Allowance Cap and Supported Housing – July 2017

Thank you for contacting me about supported housing.

Supported accommodation plays a vital role for many vulnerable people. I can assure you that the Government is committed to both building a secure long-term funding framework for the sector and encouraging further development in the sector.

The changes to Housing Benefit announced in the 2015 Autumn Statement involve aligning the rules for claimants in the social sector with those for claimants renting privately. This means extending the Local Housing Allowance (LHA) rules, which limit the amount of rent which Housing Benefit will cover, to the social sector. Let me assure you, however, that the Government recognises the importance of ensuring those who are providing supported accommodation to some of the most vulnerable members of our society receive appropriate protections. That is why Government departments have been engaging closely with providers to better understand the issues faced by the supported housing sector.

As a result of these discussions, the Government has decided to delay the implementation of the LHA cap for all social housing to 2019. From 2019 the LHA rules for Housing Benefit will apply to social sector housing, including supported housing. However, for supported housing this will not include the Shared Accommodation Rate, in recognition of the particular challenges this would have placed on tenants. To reflect the higher average costs of offering supported accommodation, which may go above the level of Local Housing Allowance, the Government will devolve 'top up' funding to local authorities (and to the devolved administrations in Wales and Scotland). This will give local authorities an enhanced role in commissioning supported housing, and allow them to take a more coherent approach to planning for housing needs in their area.

I also welcome the fact that the Government has made provision for some supported housing providers to continue to be exempt from the one per cent yearly reduction in social sector rents, in cases where they do not have the capacity to offset the decrease through efficiencies or other adjustments. Specialist types of supported accommodation will be exempt from the rent reduction for the full four years of its duration.

I recognise that the supported housing sector provides essential support to some of our country's most vulnerable people. In recognition of this, the top-up fund will be ring-fenced to ensure it continues to support these people. A consultation process has also taken place to explore additional safeguards for the vulnerable. I am proud that mental health suffering is taken seriously by this country. Progress is being made with more Government investment in mental health and an estimated 1,400 more people accessing mental health services every day compared to 2010 - up 40 per cent, as well as an additional £1 billion being spent on mental health services by 2020.

The Government ran a consultation on developing the details of this new funding model for the supported housing sector, and is currently considering its response. I welcome the considered approach the Government has taken on this issue, and hope that providers will continue to engage with the Government to ensure the new model is effective and appropriate.

Thank you again for contacting me.

Kind regards,

A handwritten signature in black ink, appearing to read 'Craig Whittaker', with a stylized flourish at the end.

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