



Department for
Communities and
Local Government

**Department for Communities and Local
Government**
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Our Ref: [REDACTED]

Your Ref:

Date: **24 February 2017**

Dear [REDACTED]

Thank you for your letter of 31 January 2017 on your concerns about the proposed application of Local Housing Allowance rates under the housing benefit system for those residing in supported and sheltered housing, from April 2019, and for raising .

I hope it is helpful if I begin by reassuring you that the Government's plans for the future funding of supported housing are aimed at ensuring that the most vulnerable people in our society will be protected and supported through welfare reforms. The Government recognises that the supported housing sector undertakes important life-changing work and provides essential support to some of our country's most vulnerable people. It helps many people to lead independent lives in the community or turn their lives around. The Government's plans are based on its commitment to the vital role that supported housing plays in the lives of many older or vulnerable people.

The Government will continue to provide funding for specialist housing including for older people in sheltered housing. As a first step to achieving this, the Government announced on 15 September 2016 that it would fully exempt supported housing from the Local Housing Allowance measure until 2019-20, when a new long-term funding model will be introduced.

The introduction of this new model will see core rent and service charges up to the level of the Local Housing Allowance rate provided through housing benefit or Universal Credit, with costs above this being met through a locally delivered top-up fund, in England. This will allow local authorities to take into account local need and tailor funding appropriately. The Government has been clear it will ensure that the supported housing sector continues to be funded at the same level it would otherwise have been in 2019-20 if the Local Housing Allowance measure had not been introduced (taking into account the effect of Government policy on social sector rents).

The Government recognises there are concerns regarding the new model, including that some vulnerable groups could be overlooked or may not be prioritised for funding, and also recognises that many residents may have concerns over what this means for them. The Government is keen to make sure we understand the full range of issues and concerns. We have been working with charities, housing associations and local government looking at how the new funding model for supported housing can work for all client groups, including older people.

For this purpose, the Government launched a consultation on 21 November 2016, for a 12 week period, on the future funding of supported housing (the consultation has now closed as of 13 February 2017). The Government is clear that it is crucial to get the new funding model right and we are analysing very carefully the feedback we have been receiving from stakeholders and from those living in the sector, in order to assist us in developing the detail that will underpin the design of the new model.

The Government is also looking carefully at what transitional arrangements will need to be made regarding the introduction of the new model to ensure a smooth transition and that vulnerable residents continue to be protected.

Thank you again for raising this important matter.

