



DEBATE PACK

Number CDP-2016-0021, 22 January 2016

Opposition Day debate: Housing Benefit Cuts and Supported Housing

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Adcock

Summary

An Opposition Day debate on the impact of limiting Housing Benefit to Local Housing Allowance (LHA) levels for tenants living in supported housing owned by social landlords has been scheduled to take place on Wednesday 27 January 2016.

This measure was announced as part of the [Spending Review and Autumn Statement 2015](#). It will apply to claimants with social sector tenancies entered into or renewed after April 2016; Housing Benefit entitlement will be impacted from April 2018. The policy is still being developed; there is no legislation currently before Parliament concerning this measure.

Rent levels in supported housing tend to be higher than those charged for similar accommodation in the private sector. This has given rise to particular concerns amongst providers of supported accommodation who are seeking an exemption from the imposition of LHA rates. Suppliers are arguing that they will be forced to close schemes and that they are already delaying/reconsidering the development of new schemes on the grounds that they will be unviable with Housing Benefit assistance for residents capped at LHA levels.

The Government has established an evidence review in respect of supported housing in England "to understand the scale, shape and cost of the sector."

The relevant Library Specialists are:

Wendy Wilson – Housing and Housing Benefit policy

Richard Keen – Social Security Statistics

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1. Background

1.1 Chancellor's announcement November 2015

During the [Spending Review and Autumn Statement 2015](#) the Chancellor announced that Housing Benefit claimants living in dwellings rented from a social landlord (local authority or housing association) would face future restrictions on the amount of Housing Benefit they would receive:

1.125 Between 1999-00 and 2010-11, spending on Housing Benefit increased by 46% in real terms, reaching £21.4 billion. The government has already announced significant changes to Housing Benefit at Summer Budget. This Spending Review and Autumn Statement takes further steps to ensure fairness between those receiving Housing Benefit and those paying for the system.

The government will:

- **cap the amount of rent that Housing Benefit will cover in the social sector to the relevant Local Housing Allowance**, which is the rate paid to private renters on Housing Benefit. This will include the Shared Accommodation Rate for single claimants under 35 who do not have dependent children. This reform will mean that Housing Benefit will no longer fully subsidise families to live in social houses that many working families cannot afford, and will better align the rules in the private and social rented sectors. It will also ensure that Housing Benefit costs are better controlled and will help prevent social landlords from charging inflated rent for their properties. **This will apply to tenancies signed after 1 April 2016, with Housing Benefit entitlement changing from 1 April 2018 onwards.**

Analysis by [The Institute for Fiscal Studies](#) (IFS) concluded that the savings arising out of this measure would be “small in the short-run, cutting Housing Benefit expenditure by £255 million in 2020-21.” The longer-term impact is expected to be more significant:

If applied to all social tenants now:

- HB would be cut by £1.1 billion (from base of around £25bn)
- 800,000 households would lose average of £1,300 per year
- Long-run effects larger still if social rents grow faster than HB caps (which are CPI-indexed)

The IFS's [Green Budget 2015](#) (February, p219) estimated that there were around 750,000 households in the social rented sector with a rent level greater than the LHA rate.

1.2 Implementation

The policy is still being developed. No legislation in respect of this measure is currently before Parliament. Several PQs have asked about the publication of an impact assessment; in response, Ministers have referred to the establishment of an evidence review in respect of supported housing. In reply to a question about the plan to limit housing benefit in the social housing sector, Lord Freud (Parliamentary Under-Secretary of State, Department for Work and Pensions), said:

My Lords, the introduction of local housing allowance limits to the social sector will apply to both housing benefit tenants and recipients of the housing element of universal credit from April 2018, but only where new tenancies have been taken out or renewed after April 2016. The department has jointly commissioned an evidence review with DCLG to look at the size and scope of the supported housing sector. The research results will guide our consideration for future policy development.

[\[HL Deb 14 January 2016 cc381-3\]](#)

Lord Freud went on:

We are collecting evidence about the size of the sector, who it supports, where the funding flows are coming from and how it is supported. There are various support sources, including the Supporting People fund and RR. We look to publish this report later this year.

[...]

We are aiming to develop our policy on the back of the information that we get in the spring, and we will be working with the whole sector to develop policy. As for the other issue that the sector is concerned about, which I discussed in the last question, that is within the timetable of the Bill.

[\[HL Deb 14 January 2016 cc381-3\]](#)

The terms of reference for the evidence review have been published: [DEP2016-0042/PQ_21500_21572.pdf](#). The purpose is “to commission an evidence review on the supported housing sector in England to understand the scale, shape and cost of the sector.”

There are concerns about the implications of the measure for all Housing Benefit claimants in social housing, but the particular position of suppliers of supported housing has been drawn to the Government's attention.

1.3 What is supported housing?

Supported housing covers a range of different housing types including group homes, hostels, refuges, supported living complexes and sheltered housing. Residents of supported housing generally require a level of personal care, support or supervision. Residents of supported housing typically include the elderly, people with mental, physical and learning disabilities, and substance abusers.

The National Housing Federation (NHF, the representative body of housing associations) published [Supported housing: understanding need](#)

[and supply](#), in December 2015. It provides more information about supported housing, related issues and future demand.

Housing Benefit entitlement and supported housing residents

For those residents who are eligible to receive Housing Benefit, it can help with all or part of their rent payments. Rent levels in supported housing tend to be higher than those charged for similar accommodation in the private sector. The Government's July 2011 consultation paper, [Housing Benefit Reform – Supported Housing](#), identified the following reasons for this:

29. Supported housing is often of higher quality than mainstream housing. This is because the units of accommodation are purpose built to enable residents to lead more independent lives, with greater accessibility, more space or specific adaptations included. It may also be important for residents to be situated closer to amenities, public transport routes, or in relatively quiet neighbourhoods. As a result, supported housing is often acquired in more expensive areas or attracts higher development costs.

30. Certain housing types, such as bungalows or detached properties, needed because of access or behavioural difficulties, may be more expensive. Properties tend to be developed and provided in response to demand, often commissioned by adult social care departments or in response to local authority housing needs surveys, which typically specify a lack of purpose built accommodation or particular adaptations required to improve access and provide suitable facilities.

31. There can also be additional housing management costs through heavier wear and tear. There is not only the cost of replacing or repairing expensive household equipment, such as fridges, washing machines or furniture but also training of repairs and maintenance staff in understanding the respond to unexpected behaviour.

32. Staffing costs can also be higher due to more time spent on housing management and extra security because of residents' mental disabilities or chaotic lifestyles. There are a wide variety of services provided that help individuals live independently. The research notes over 400 different types of charges made in addition to the core rent. The main ones centre around:

- providing 24 hour housing management cover
- providing more housing related support than in mainstream housing
- organising more frequent repairs or refurbishment
- providing more frequent mediating between tenants; and
- providing extra CCTV and security services¹

Residents in supported housing owned and managed by a local authority normally have their rent met in full by Housing Benefit.² Supported housing residents whose landlord is a housing association, registered charity, voluntary organisation or county council have their

¹ DWP, [Housing Benefit Reform – Supported Housing](#), July 2011

² Where they are eligible for Housing Benefit – Housing Benefit is means tested.

Housing Benefit “based on more generous rules than those living in mainstream accommodation.”³

Essentially, supported housing that meets certain criteria is treated as “exempt accommodation” for Housing Benefit purposes. As such, the Housing Benefit Regulations that limit rents to defined local levels do not apply to accommodation where the housing association or voluntary organisation provides “care, support or supervision.”

The DWP published research into exempt and supported accommodation in December 2010 – this research was commissioned to assess the extent and cost of exempt accommodation within local authorities and to identify underlying reasons for increased expenditure.

The main findings included:

- Different claimant groups have different needs in terms of time for which they require supported housing. The types and levels of support also differ; they can range from two carers to one individual (24 hour permanent assistance) to low level support on a temporary basis (for vulnerable young people).
- It is estimated that there are around 130,000 claimants in registered social landlord accommodation and a further 40,000 in other accommodation (although there is some uncertainty around these figures).
- The cost of non-registered social landlord ‘exempt accommodation’ claims is estimated at between £70m and £130m above rent officer determinations (there is considerable uncertainty around these figures). The average additional housing costs appear to have increased by 85 per cent from 2003/04 to 2009/10.
- The lack of effective rent restriction by most local authorities reflects the belief that there is no basis to restrict even where rents are considered high, generally because there is no suitable alternative accommodation available for a meaningful rental comparison.
- The findings support anecdotal evidence that there has been an increase in both the cost and the number of claims from those in ‘exempt accommodation.’
- While the regulations are straightforward their interpretation has become increasingly complex, difficult to administer and lead to significant uncertainty.⁴

More information on the consultation process carried out in 2011 can be found in Library Briefing Paper 06080, [Housing Benefit reform - supported housing](#). While there were announcements about the treatment of supported housing costs in relation to Universal Credit and the household benefit cap, no changes were implemented following the consultation exercise.

³ DWP, [Housing Benefit Reform – Supported Housing](#), July 2011, para 21

⁴ DWP Research Report 714 – [Exempt and Supported Accommodation](#), December 2010

1.4 What are Local Housing Allowance (LHA) rates?

The vast majority of Housing Benefit claimants living in privately rented dwellings receive the LHA. LHA is paid at a flat rate which is set at the 30th percentile of market rents for properties of different bedroom sizes (up to a maximum of four bedrooms) within a Broad Market Rental Area (BMRA) – LHA rates are published for each BMRA. LHA rates are also subject to national caps which are currently:

- £260.64 for a room in shared accommodation
- £260.64 for 1 bedroom accommodation
- £302.33 for 2 bedroom accommodation
- £354.46 for 3 bedroom accommodation
- £417.02 for 4 bedroom accommodation

As part of the [Summer Budget 2015](#) the Chancellor announced that LHA rates would be frozen for four years from 2016:

1.137 Since the financial crisis began in 2008, average earnings have risen by 11%, whereas most benefits, such as Jobseeker's Allowance, have risen by 21%. To ensure that it always pays to work, and that earnings growth overtakes the growth in benefits, **the government will legislate to freeze working-age benefits, including tax credits and the Local Housing Allowances, for 4 years from 2016-17 to 2019-20.** This is forecast to save £4 billion a year by 2019-20.

[Summer Budget 2015](#) also saw the announcement of rent reductions for social housing landlords:

1.140 **Alongside the freeze in working-age benefits, the government will reduce rents in social housing in England by 1% a year for 4 years**, requiring Housing Associations and Local Authorities to deliver efficiency savings, making better use of the £13 billion annual subsidy they receive from the taxpayer. Rents in the social sector increased by 20% over the 3 years from 2010-11. This will allow social landlords to play their part in reducing the welfare bill. This will mean a 12% reduction in average rents by 2020-21 compared to current forecasts.

1.5 Implications for supported housing

Section 1.3 (above) explains why, as a general rule, the rents charged for supported housing are higher than the rents charged on other social housing units. Thus the impact of capping Housing Benefit entitlement at the LHA level for residents of supported housing has caused particular consternation amongst social landlords specialising in this type of accommodation.

There are no statistics available on the number of residents in supported housing who are in receipt of full or partial Housing Benefit. On 17 November 2015 the Government was asked for the latest figures on the number of supported housing schemes in England and the number of

residents who participate in each scheme. Baroness Williams of Trafford answered for the Government:

We do not hold this information. More information on the scale, shape and cost of the supported accommodation sector should be available through the evidence review jointly commissioned by the Department for Communities and Local Government and the Department for Work and Pensions. The review is due to report by April 2016.⁵

David Orr, chief executive of the National Housing Federation (NHF, the representative body of housing associations) wrote to both Lord Freud and Brandon Lewis (Minister for Housing and Planning) on 18 December 2015; an extract from this letter is reproduced below:

The impact of the LHA cap on the amount of Housing Benefit payable for supported housing will be stark and make it extremely difficult for any housing associations to develop new supported housing. Without existing levels of benefit being available providers across the country will be forced to close schemes. As you know, supported housing is different to general needs social housing: rents are higher because the cost of building, maintaining and managing schemes is higher. Higher service charges reflect the actual cost of essential services such as security or maintenance of communal areas. Any changes to the revenue stream for supported housing would therefore have a significant impact on the viability of existing and future schemes because the cost of providing supported housing is higher, and because operating margins for these schemes are already very slim. The reason that this is such a pressing issue right now is that the uncertainty about the future approach is already leading to supported housing under development being delayed or cancelled because of the long lead times involved in investment and development.

We understand that government has put aside some money earmarked for local authority Discretionary Housing Payments (DHPs) to enable top ups between the LHA rate and the actual rent and service charge. While this in theory may sound like a sensible approach, in practice providers cannot continue to run schemes with such a high degree of uncertainty over the gap between the cost of the scheme and the revenue. At present every penny of rent charged above the LHA level in supported housing is spent on housing vulnerable people. A local discretionary scheme that decides between tenants who should receive a top up simply cannot work to preserve schemes in the long term.⁶

More information and comment on Discretionary Housing Payments can be found in Library Briefing 06899: [Discretionary Housing Payments](#).

A series of reports in the housing press have reiterated the concerns and issues raised by David Orr, for example:

Andrew Redfern, chief executive of specialist housing association Framework, added: "It would mean the end of supported housing. All our schemes would close, and I think all others would as well."

⁵ HL 3582, [Parliamentary Question answered 1 December 2015](#)

⁶ [David Orr's letter to Lord Freud and Brandon Lewis](#), 18 December 2015

Anchor, England's largest not-for-profit provider of retirement housing, said the change could leave it with a £13m annual hole in its budget.

Great Places, New Charter, Hightown Praetorian and Family Mosaic all confirmed many of their schemes would be unviable if the cut went ahead.

Kevin Beirne, group director of housing care and support at One Housing Group, said it was reviewing the 520 extra care homes it is currently building and could "mothball" them if it does not receive confirmation of an exemption soon.⁷

Placeshapers has estimated housing associations provide specialist supported housing for around 132,000 vulnerable people and a further 312,000 homes for older people.

The network surveyed six supported housing providers who provide housing to 3,343 people. The survey suggested an income loss from 2018 averaging £56 per home per week as a result of the LHA cap. This came to an annual loss of £9.8m.

The network claims if this was replicated across the sector the total loss would be nearly £400m for the funding of supported housing schemes and there would be "further potentially huge losses" if homes for older people were also included.

These losses would lead to supported housing service closures on a "massive and unprecedented scale".

The network said the government's suggestion that local authority discretionary housing payments can up any shortfall in income "will simply not work and no housing association can plan with certainty on the basis of support that is short term, discretionary and already overstretched".

Charlotte Norman, PlaceShapers board member and chief executive of St Vincent's Housing Association in Manchester, said: "These changes in housing benefit entitlement look like having a more detrimental impact than any other recent housing and welfare announcement. Over 440,000 vulnerable people live in schemes provided by housing associations and their homes are now at risk.

"We cannot believe that government understands the consequences of these changes and the vast extra costs that would fall to the public purse as a result of scheme closures. Nothing short of exemption for all such housing will be adequate and we very much hope that common sense will prevail."⁸

An *Inside Housing* article from 21 January 2016 claims that 95% of supported housing providers would be forced to close their schemes:

An *Inside Housing* snap survey of 82 providers, which own a collective 120,000 units of supported housing, lays bare the impact of capping housing benefit at Local Housing Allowance (LHA) levels for the first time.

It shows 27% of providers believe all their schemes would be left financially unviable, while 40% said most of their schemes would go under in the survey conducted this week.

⁷ *Inside Housing*, [Supported housing on the brink](#), 15 January 2016 [registration required]

⁸ *Inside Housing*, [Placeshapers calls for supported housing exemption](#), 24 December 2015 [registration required]

A further 28% of providers said at least some of their schemes would be unviable, with only 5% saying all of their schemes could survive.

[...]

Responding to the survey, which was conducted anonymously, one provider said: “[The LHA cap] would be disastrous for the sector as a whole and more importantly for vulnerable adults. Development would halt and there would be widespread closure of schemes.”

The 82 providers said they had a combined 5,691 new units of supported housing currently under development. However 18% said they had frozen this development and more than a third – 34% – said they are considering doing so while they wait on news of an exemption.

The cut, which was first announced in the Autumn Statement, will apply to all new tenancies granted from April this year when it comes into effect in 2018.

Because of this, 12% of respondents said they would no longer accept benefit claimants to supported housing schemes from April if an exemption is not confirmed by then, and 16% said they would be reluctant to.

The government has offered £70m additional Discretionary Housing Payments for two years from 2018 to cover the shortfall, which providers warn is insufficient.⁹

Welfare Reform and Work Bill 2015-16

As explained in section 1.4, a further Government measure contained in the *Welfare Reform and Work Bill* will require social landlords to reduce their rents by 1% in each year for four years from April 2016. The potential impact of this measure on supported housing providers has been raised at each stage of the Bill’s progress through Parliament. Amendments have been moved, to date without success, to exempt supported housing from the rent reduction requirement.¹⁰ The matter was covered in detail during the Bill’s Committee stage in the House of Lords (5th day).¹¹

Many of the same arguments have been used in support of amendments seeking to exempt supported housing from the rent reduction requirement as have been raised in relation to the application of LHA rates. The Government response is reproduced below:

Baroness Williams of Trafford: My Lords, I have listened very carefully to the comments made by noble Lords this evening in debating the amendments that would extend the exceptions—which we were talking about two amendments ago—to the policy to specified or supported accommodation. I can offer some reassurances in this area at this stage. It may be helpful if I first recap the commitment made in another place, which was welcomed by housing providers, to continue to allow rent setting for new tenancies in supported housing at up to 10% above the rate for general-needs housing. This should help providers of

⁹ Inside Housing, [Cap would force 95% to wind up schemes](#), 21 January 2016 [registration required]

¹⁰ See: [PCB 15 October 2015 c411](#) amendment 109

¹¹ HL Deb 12 January 2016 cc227-252

supported housing for vulnerable people to continue to provide that important housing. We will put this in place by way of regulations under Section 26, the power to make alternative provision for excepted cases.

To address the point made by the noble Lord, Lord McKenzie, the Government have also made clear their intention to continue to except those types of housing that are currently exempted from the rent standard, subject to determining whether the existing definitions are appropriate in light of the revised policy. These include specialised supported housing, which provides support for the most vulnerable people and was developed in partnership with councils or the health service. We will bring forward regulations to set out these and any further exceptions needed, under Clause 22 or paragraph 5 of Schedule 2, as appropriate.¹²

During debate in the Lords a question was asked about the combined impact of the 1% rent reduction and the imposition of LHA caps on the supported housing sector – Baroness Williams replied:

I think it was the noble Lord, Lord McKenzie, who asked about the combined impact of the social rent reduction and capping the highest housing benefit awards for social renters, in line with caps applicable in the private rented sector, meaning that supported housing will be decimated. Now that I am looking at the noble Lord, I do not think it was him who asked this. But there was a noble Lord who asked that question, because I have written it down. Applying a cap on the highest social rents will mean that housing benefit will no longer subsidise families who take new tenancies in social houses that many working families cannot afford. The new cap will have effect only from 2018 for new or re-let social tenancies signed after 1 April 2016.¹³

¹² HL Deb 12 January 2016 c249

¹³ HL deb 12 January 2016 c250

2. Press releases and briefings

[National Housing Federation update on Local Housing Allowance caps on social housing rents](#)

Lord Freud has responded to David Orr's letter that highlighted the impact of introducing the cap to supported housing.

8 January 2016

David Orr last month wrote to [Lord Freud](#) and [Brandon Lewis](#) seeking urgent clarification on how supported and sheltered schemes will be protected, and pressing for long-term security. He stated that we would like to see the cap only applied to working age tenants in general needs housing, with provision for some highly vulnerable younger people to be excluded from the under 35s shared accommodation rate.

[Lord Freud, Minister of State for Welfare Reform, has responded](#) stating that:

'the exact formation of this policy is currently under development. We will of course carefully consider comments regarding supported housing schemes, along with findings from the supported accommodation review that the Department has jointly commissioned with the DCLG which looks at the size and scope of the supported housing sector. The results of this research will guide our consideration for future policy development.'

He also highlighted that the Discretionary Housing Payment (DHP) scheme was to receive an additional £70m across 2018-19 and 2019-20 for this measure. These funds are available to all claimants who are in need of additional support with housing costs, including those living in shared accommodation and supported housing. We have highlighted the problems with this approach as these payments are discretionary, designed to cover temporary situations and cannot give the long term revenue security that supported housing needs. We will continue to press for clearer, fairer solution.

We will be meeting with Lord Freud as soon as possible and have organised a round table with Housing Minister Brandon Lewis to discuss the implications of the cap for supported housing. It is important that local MPs hear about the consequences in their area we are very keen to hear from organisations who are already having conversations with politicians or have particularly good relationships in their area.

We are gathering evidence on the impact of these changes and in particular the risks it presents to providers of supported and sheltered housing. While the proposals will not come into force until 2018 we have been contacted by a number of developing housing associations who are very concerned about schemes they have which are about to go on site or are in development and we are aware that some have had to put developments on hold. We are using these examples to

demonstrate the urgency of the situation to the Government at the highest level.

We welcome any modelling on the impact of these changes on individual schemes and for your organisation. [Please forward your evidence to us](#) along with any questions or comments on this work.

Homeless Link

Open letter from supported housing organisations

30th October 2015

To Whom It May Concern

Dear Sir/Madam

We are writing with regard to the proposed provision for a 1% rent reduction for social housing included in the Welfare Reform and Work Bill (2015-16), a policy which will have negative repercussions not only on the ability of supported housing providers to deliver adequate services but also on wider society.

Supported housing services cater for a wide range of tenants with specific needs that require varying degrees of support. The umbrella term encompasses services for people who are homeless, victims of domestic violence, those with learning disabilities, people with mental health problems, vulnerable young people moving towards learning or work and ex- offenders. If the rent reduction is applied to these properties, many supported housing projects will be forced to reduce either the support they offer their users, close bed spaces or in the worst case scenarios, close down altogether.

We understand the electoral promise the government made to decrease the deficit and also the cost of rents. However, the Government's own Home and Communities Agency (HCA) claims that continued investment in supported housing saves the taxpayer £640m annually. This is because the cost effectiveness of supported housing leads to reduced involvement in crime, reliance on the health system and other social services. With this in mind, supported housing services are not adding to the deficit but are rather a key component in reducing it.

Furthermore, organisations providing supported housing have already taken their fair share of the burden to reduce the deficit. According to the National Audit Office, funding for housing related support decreased by 45% between 2011-15. Added decreases in funding would only serve to undermine the financial viability of many services, placing the most vulnerable at increased risk.

For example, an analysis of 14 homelessness supported housing organisations has shown this policy would lead to half of them having to close some services, whilst another four would have to stop working with clients with the most complex needs.

To mitigate the impacts of this policy, the Government are providing exemptions to a small segment of supported housing alongside

occasional waivers for individual housing associations. However, these mitigations will only apply to a very small number of providers and will not protect the overwhelming majority of supported housing services.

It has been recently confirmed that service charges for supported housing will not be included in the rent reduction. Whilst this is a very welcome clarification, the application of the 1% reduction to the core rent of supported housing projects would still put many at risk. The most straightforward way to protect these would be by making supported housing which fits the definition of “specified accommodation” an exception to the reduction. The Government have already set a precedent for this by previously exempting specified accommodation from Benefit Cap and Universal Credit rules.

If you wish to find out more about how this aspect of the Welfare Reform and Work Bill will affect disadvantaged people, we will gladly provide further information or arrange a meeting if requested.

Yours faithfully,

Alison Gelder – CEO, Housing Justice

Amanda Dubarry – CEO, Step-by-Step

Andrew Humberstone – Director, Brighter Futures

Andrew Redfearn – CEO, Framework Housing Association

Bryan Holman – CEO, Cambridge Cyrenians

Chris Hampson – CEO, Look Ahead Care and Support

David Carter – CEO, The Whitechapel Centre

Denise Hatton – CEO, YMCA England

David Orr – CEO, National Housing Federation

Ellie McNeil – CEO, Liverpool YMCA

Fiona Humphrey – CEO, Providence Row Housing Association

Gary Staniforth – CEO, The Hidden Homeless

Helen Razdan – CEO, Self Help Community HA

Howard Sinclair – CEO, St Mungo’s Broadway

Hugh Owen – Director, Riverside

Jacob Tas – CEO, Nacro

Jane Slowey CBE - CEO, The Foyer Federation

Janine Tregelles –CEO, Royal Mencap Society

Jean Templeton – CEO, St Basils

Jeremy Gray – CEO, Evolve Housing and Support

John Holmstrom – CEO, Worthing Churches Homeless Project

Jon Kuhrt- Executive Director of Social Work, West London Mission

Jon Sparkes – CEO, Crisis

Justin Roxburgh – CEO, Taunton Association for the Homeless

Lesley Dewhurst- CEO, Oxford Homeless Pathways

Lieut-Colonel Melvin Fincham - Secretary for Communications, Salvation Army

Liz Rutherford – CEO, SHP

Martin Hancock – CEO, BCHA

Martin Houghton-Brown- CEO, Depaul UK

Mick Clarke – CEO, The Passage

Nancy Doyle - CEO, Oasis Aquila Housing

Pam Vasir – Director, A2Dominon

Polly Neate – CEO, Women’s Aid

Rick Henderson – CEO, Homeless Link

Sarah Hernandez - Managing Director, Derwentio Housing Trust

Seyi Obakin – CEO, Centrepont

Steve Benson – CEO, Two-Saints

Steve Harris- Lead Advisor, Housing & Support Alliance

Vic Rayner - CEO, SITRA

Adam Brooks – Head of Housing, YMCA East Surrey

Tracy Wild – CEO, Langley House Trust

For further information or evidence please contact: [Homeless Link](#)

3. Press articles

Inside Housing, 21 January 2016

[NHF pushes minister for cut exemption](#)

The National Housing Federation and several social landlords lobbied a government minister yesterday to press the case for an exemption of supported housing from a welfare cut.

Inside Housing, 15 December 2015

[Care provider warns of LHA cap's £23m hit](#)

A housing association has warned it faces losses of £23m a year from its extra care and retirement housing business if the government goes ahead with proposed welfare changes.

The Guardian, November 12, 2015

[Vulnerable people will be hardest hit by social housing rent cut](#)

An annual 1% reduction in social rents will endanger our charity's support for young people and those who need us most

4. Parliamentary questions

[Social Housing Sector](#)

Asked by **Baroness Warwick of Undercliffe**

To ask Her Majesty's Government whether their plan to limit housing benefit in the social housing sector to the Local Housing Allowance rate will apply to those living in supported housing.

The Parliamentary Under-Secretary of State, Department for Work and Pensions (Lord Freud) (Con): My Lords, the introduction of local housing allowance limits to the social sector will apply to both housing benefit tenants and recipients of the housing element of universal credit from April 2018, but only where new tenancies have been taken out or renewed after April 2016. The department has jointly commissioned an evidence review with DCLG to look at the size and scope of the supported housing sector. The research results will guide our consideration for future policy development.

Baroness Warwick of Undercliffe (Lab): My Lords, I welcome what the Minister has said, but it is really not enough. Only the inclusion of specified accommodation will solve the problem and protect the most vulnerable from an unintended consequence of the proposed legislation. I cannot stress enough the need for urgency. Supported housing providers have to decide in the next few weeks whether or not to continue to support those developments, so there is a real urgency on this issue. I remind the Minister that the LHA cap was announced in the Autumn Statement without either consultation or an impact assessment. It may be an unintended consequence but, now that it has been highlighted, can the Minister please assure the House that it will be addressed quickly and before the Report stage of the Welfare Reform and Work Bill?

Lord Freud: The measure will come in in 2018 and there will be regulations within that timescale. As I said, we have this major review—the first really substantial review—and we have been working on that for more than a year now. That will inform our whole policy approach to what is a very important sector, and I hope it will put it on a much sounder footing than it has been.

Baroness Eaton (Con): Could my noble friend tell us the terms of reference and the remit for this review?

Lord Freud: We are collecting evidence about the size of the sector, who it supports, where the funding flows are coming from and how it is supported. There are various support sources, including the Supporting People fund and RR. We look to publish this report later this year.

Lord Best (CB): My Lords, the review to which the Minister refers is extremely welcome. Has he heard the news that the major housing associations providing extra care housing for older people, which saves the state an enormous amount of money in hospital and residential care fees, have put their programmes on hold awaiting the outcome of this

review? If he has heard that news, could he respond to the urgency of the situation?

Lord Freud: We are talking to the relevant supported housing associations—it is a variegated sector. There are a couple of issues that are concerning them at the moment, and this is one of them. We are looking, as we develop a dialogue, to get a policy that works for this sector as soon as we possibly can.

Baroness Sherlock (Lab): My Lords, the other issue that is probably concerning the sector is that the Welfare Reform and Work Bill is forcing all housing associations to cut their rents by 12% over this Parliament—money that will almost all go directly to the Treasury. It is a double whammy. I spoke this morning to the head of Depaul UK, a small charity that houses 700 young homeless people in the north-east and around the country, dealing with kids who have come out of prison or have escaped abuse and exploitation. It has already absorbed cuts of 30%. If this policy goes through, the support workers who teach the young people how to live, cook, pay the rent and go to work and get them ready for independent living simply cannot be paid for. If this goes ahead, Depaul will pull out of hostel provision altogether. Is that what the Government want?

Lord Freud: As my noble friend Lady Williams made clear on Monday night, this area is under active consideration within the timetable of the Bill.

Lord Stoneham of Droxford (LD): My Lords, I declare an interest as the chair of Housing & Care 21, one of the housing associations referred to by the noble Lord, Lord Best. Can I ask the Minister whether he really understands the urgency of this issue? He talks about 2018, but the housing associations involved will have to start telling people in the next few weeks what they can expect under the current government policies. The review has to be quick. How quickly can the Minister respond in order to help housing associations that are currently delaying their decisions?

Lord Freud: We are aiming to develop our policy on the back of the information that we get in the spring, and we will be working with the whole sector to develop policy. As for the other issue that the sector is concerned about, which I discussed in the last question, that is within the timetable of the Bill.

Lord Hylton (CB): My Lords, does the Minister appreciate that there is a complete difference between ordinary tenants and tenants in supported housing? These are people coming out of prison or with learning difficulties and all kinds of other handicaps. They require hand-holding and mentoring before they can reintegrate with the rest of society.

Lord Freud: I thank the noble Lord for that question, because I absolutely understand the substantial distinction between standard provision of housing and supported housing, which in the context of the actual payments is now specified allowances.

Baroness Gardner of Parkes (Con): For the purposes of clarification, can the Minister confirm exactly what is supported housing and clarify that it in no way involves aids for disabled people in housing of any variety?

Lord Freud: This is a variegated sector, which is exactly what we are discovering now. Supported accommodation or specified accommodation, using the other definition, effectively looks at the services that are provided to support people. I suspect that some of them will supply aids of some kind, but the real thing is the actual service elements that are provided for people.

14 Jan 2016 | Oral questions | House of Lords | 768 cc381-3

[Supported Housing: Housing Benefit](#)

Asked by: Healey, John

To ask the Secretary of State for Communities and Local Government, pursuant to the Answer of 14 December 2015 to Question 19365, on housing benefit, (a) when the evidence review began, (b) who has been commissioned to undertake that review and (c) when he expects that review to be published.

Answering member: Brandon Lewis

A copy of the specification for the review has been put in the Library of the House.

The Review began in January 2015. The Department of Work and Pensions and the Department for Communities and Local Government commissioned Ipsos MORI in partnership with Imogen Blood and Associates and Housing and Support Partnership Limited to undertake the evidence review. The report will be published later this year.

[Deposited Paper DEP2016-0042](#)

14 Jan 2016 | Written questions | 21572

[Housing Benefit: Supported Housing](#)

Asked by: Healey, John

To ask Mr Chancellor of the Exchequer, what organisations he has met to discuss the introduction of the capping of housing benefit for tenants in supported housing at the local rate of local housing allowance.

Answering member: Damian Hinds

Treasury Ministers and officials have meetings with a wide variety of organisations in the public and private sectors as part of the process of policy development and delivery. Details of ministerial and permanent secretary meetings with external organisations on departmental business are published on a quarterly basis and are available at:

<https://www.gov.uk/government/collections/hmt-ministers-meetings-hospitality-giftsand-overseas-travel>

The lead department for this measure, the Department for Work and Pensions, has regular meetings with relevant organisations and will meet with them to discuss how the application of local housing allowance rates to social sector tenants, including those living in supported housing, will work as the policy is developed.

14 Jan 2016 | Written questions | 21489

[Housing Benefit: Supported Housing](#)

Asked by: Healey, John

To ask the Secretary of State for Work and Pensions, what estimate his Department has made of the likely change in the total cost of housing benefit as a result of the introduction of capping of housing benefit for tenants in supported housing at the local rate of local housing allowance in (a) 2018-19, (b) 2019-20 and (c) 2020-21.

Answering member: Justin Tomlinson

The overall change in the total cost of Housing Benefit from the introduction of the Local Housing Allowance caps into the Social Rented Sector is available on the GOV.UK website and can be accessed using the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/480565/SRAS2015_policy_costings_amended_page_25.pdf
(Page 35).

However, the Department does not hold in the information required to provide the change in the total cost of Housing Benefit for supported housing.

11 Jan 2016 | Written questions | 21490

[Housing Benefit: Supported Housing](#)

Asked by: Phillips, Jess

To ask the Secretary of State for Work and Pensions, if he will exempt (a) domestic violence refuges and (b) other supported accommodation where higher rates of housing benefit are paid from planned changes to the housing benefit cap.

Answering member: Justin Tomlinson

The introduction of Local Housing Allowance limits to social sector tenants in receipt of Housing Benefit or the housing element of Universal Credit will only apply from April 2018 where new tenancies have been taken out or renewed after April 2016.

The Department is working on the exact policy design details for tenants in supported accommodation which includes domestic violence refuges.

11 Jan 2016 | Written questions | 20741

[Housing Benefit: Supported Housing](#)

Asked by: Healey, John

To ask the Secretary of State for Work and Pensions, what the (a) housing benefit claimant count and (b) average weekly housing benefit award is for tenants in supported accommodation in each (i) county, (ii) region, (iii) local authority and (iv) valuation office agency area.

Answering member: Justin Tomlinson

The information requested is not available.

DWP and DCLG have commissioned an evidence review to provide more robust and up-to-date information relating to supported housing. The report will be published in 2016.

14 Dec 2015 | Written questions | 19365

[Housing Benefit: Supported Housing](#)

Asked by: Healey, John

To ask the Secretary of State for Work and Pensions, how much will be made available in additional discretionary housing payments for people in supported accommodation in each financial year from 2018-19 to 2020-21.

Answering member: Justin Tomlinson

In the Autumn Statement it was announced that additional Discretionary Housing Payment funding will be made available to Local Authorities to protect the most vulnerable, including those in supported accommodation. A further £70 million will be made available across 2018-19 and 2019-20.

This will be in addition to the funding for the Discretionary Housing Payment scheme that was announced in the Summer Budget where the allocation for 2018-19 to 2020-21 is as follows:

2018/19	2019/20	2020/21
£170m	£155m	£140m

It should be noted that local authorities have the discretion to set their own priorities to ensure Discretionary Housing Payments are awarded to those who most require assistance based on local circumstances.

14 Dec 2015 | Written questions | 19364

[Housing Benefit: Young People](#)

Asked by: Timms, Stephen

To ask the Secretary of State for Work and Pensions, whether he plans to exempt 18 to 21 year olds in supported accommodation who meet

the specified accommodation definition under the Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014 from the withdrawal of housing support for this age group.

Answering member: Justin Tomlinson

This Government is determined to end youth unemployment, and support all young people into work. In order to prevent young people slipping straight into a life on benefits, from April 2017 we will remove automatic entitlement to housing support for new claims in Universal Credit from 18-21 year olds who are out of work. This measure ensures young people in the benefits system face the same choices as young people who work and who may not be able to afford to leave home.

However, we will ensure that vulnerable young people who are in need of support for their housing needs continue to receive it.

People living in specified accommodation claiming Universal Credit do not receive the housing element, and instead receive support for their housing costs through Housing Benefit. The Government has no plans to change 18-21 year olds entitlement to Housing Benefit, so claimants in specified accommodation will continue to be supported with their housing costs and will be unaffected by this policy.

14 Sep 2015 | Written questions | 9834

[Social Rented Housing](#)

Asked by: Cunningham, Alex

To ask the Secretary of State for Communities and Local Government, whether he plans for the one per cent reduction in social housing rents announced in the Summer Budget 2015 to apply to (a) supported accommodation claimed as specified accommodation under the Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014 and (b) other hostel accommodation for the single homeless.

Answering member: Mr Marcus Jones

In order to reduce the Housing Benefit bill, the Government has taken the decision to bring rent increases within the social sector back into line with the private rented sector. But we acknowledge that there may be some circumstances where the rent reduction policy should not apply. In particular, the types of accommodation that are currently exempted under the Rent Standard such as specialised supported accommodation are likely to remain exempted. We are considering whether the existing definition is appropriate in light of the revised policy and will be setting out the details in legislation.

14 Sep 2015 | Written questions | Answered | House of Commons | 9011

[Engagements](#)

Asked by: Jess Phillips (Birmingham, Yardley) (Lab)

According to the Women's Aid annual survey last year, on one single day there were 132 women aged 18 to 20 living in refuge after being attacked, assaulted and in some cases raped. Will the Chancellor guarantee for me and those women that those living in supported accommodation like refuge will not be included in his Government's plans to remove housing benefit from those aged 18 to 21, or will he see 132 women who have been abused return to their violent partners every day?

Answered by: Mr Osborne

We made it very clear when we set out our proposals on housing benefit that we would protect particularly vulnerable people, such as those that the hon. Lady refers to, and I welcome her to the House.

I would make a broader argument about welfare reform. This country faces a very simple choice. We have 1% of the world's population and 4% of its GDP, but we undertake 7% of the world's welfare spending. We can either carry on on a completely unsustainable path or we can continue to reform welfare so that work pays and we give a fair deal to those on welfare and a fair deal to the taxpayers of this country who pay for it.

17 Jun 2015 | Prime Minister's questions - 1st Supplementary | 597 cc315-6

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