

## **Government Supported Housing Welfare Benefits Reforms**

HRS providers face cuts as a result of Government's ongoing supported housing welfare benefits reforms:

- Rent reductions applied to supported housing schemes so rents will decrease by 1% per year for 3 years, up to and including 2019/20
- From 2019/20 cap on the amount of rent Housing Benefit will cover in supported housing sector to the relevant Local Housing Allowance level (LHA) (rate paid to most private renters on Housing Benefit)
- Providers of supported housing argued, given higher rent levels and slim operating margins, measures would have detrimental impact on revenue and threaten viability of existing and future schemes
- From 2019/20 new funding model will be introduced and local authorities will receive ring-fenced funding to meet the shortfall between the LHA rates and the cost of provision
- Supported housing sector argue ongoing uncertainty is having a detrimental impact on investment with doubt whether the proposed system will place supported housing on a sustainable footing
- Government published a consultation paper on new funding model which ended 13 February 2017 - SCC responded. Joint committees report made recommendations on 1 May 2017. Government expect to publish a supported housing green paper in 'late spring' 2017

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