Dear Polly

You will be aware that we have put in place arrangements to ensure that our reforms recognise the needs of those using supported exempt accommodation. From April, this type of accommodation will be exempt from the benefit cap and the removal of the spare room subsidy. Our plans to deal with the housing costs of claimants living in supported exempt accommodation outside of Universal Credit will also mean that the change to a monthly payment cycle and the removal of direct payments to landlords will not apply.

It has recently been brought to our attention that much of the existing provision does not meet the precise definition of supported ‘exempt’ accommodation. This has, understandably, caused concern amongst providers.

We would like to make clear our intention to protect providers from any unintended consequences. For example, we wish to protect refuges and hostels where care is provided by or arranged through a ‘managing agent’ rather than the landlord. Such arrangements may not meet the precise definition of exempt accommodation but in all other ways the provision is identical to that which does.

Due to the legislative constraints it is not possible to put a solution in place for April. However, officials are working closely with other government departments and key stakeholders to develop workable solutions, through a change to the definition or other means, without increasing current spend. These include local authorities, the National Housing Federation, Homeless Link, Sirfa, the Chartered Institute of Housing and the devolved administrations.

Proposals will be brought forward at the earliest opportunity.
Finally, I would like to use this opportunity to assure you that I am determined that our reforms will maintain a viable supported housing sector; I am very conscious of the invaluable services that providers offer to some of the most vulnerable members of our society.

Yours sincerely,

David

Lord Freud
Minister for Welfare Reform