



What you need to know about the Budget 2016



On Wednesday 16 March the chancellor delivered his budget, outlining the current economic situation and measures intended to increase business activity. This briefing for CIH members outlines the measures that will impact housing and provides some initial analysis.

In our budget submission to HM Treasury we asked for the following:

- Supported housing to be excluded from the extension of local housing allowance (LHA) rates to the social sector
- Extra funding to ensure high value council homes sold are replaced
- A combination of accreditation and tax incentives to improve standards in the PRS
- A new £15m challenge fund to help tackle homelessness by enabling access to the PRS and to support vulnerable people to sustain their tenancies.

Key measures for housing and welfare

Homelessness

The chancellor announced a number of measures intended to tackle homelessness and rough sleeping:

- Government will invest £100 million to provide 2,000 places for rough sleepers and domestic abuse victims and their families moving on from refuges
- A further £10 million will be made available over two years to support projects that prevent and reduce rough sleeping
- Government will double, from £5 million to £10 million, the funding for the rough sleeping social impact bond, which was announced in the spending review, to raise money for innovative projects to tackle homelessness
- Government will take action to increase the number of EU rough sleepers who are helped to return to their home countries.

Other measures of interest

Other measures relating to housing and welfare and of interest to CIH members included:

- There will be a change to the way that personal independence payments (PIP) are calculated. Applicants will receive fewer points if they are provided with aids to help them carry out daily living tasks
- Recipients of guardian's allowance, carer's allowance and the carer's element of universal credit will be exempted from the overall benefit cap
- A new lifetime ISA will be introduced for savers under the age of 40. Savers will be able to put up to £4,000 per year into their ISA and government will top this up at a rate of £1 for every £4 saved. Funds can be used to buy a first home or for use in retirement
- £60 million will be made available to support community-led housing developments (e.g. community land trusts). This will be funded using the new higher rates of stamp duty, announced at the spending review, which are charged on second homes/buy to let properties. There will be no exemptions to this for large landlords
- A number of new devolution deals have been announced with Greater Lincolnshire, East Anglia and the West of England
- A number of further measures intended to speed up the planning process, make better use of public land and encourage the building of garden towns.



Initial CIH response

CIH has been calling for more measures to address homelessness and rough sleeping and today's announcement of an investment of £115 million to tackle rough sleeping is good news.

It will go some way to responding to rising levels of rough sleeping and we hope it marks the start of more action to come to end homelessness in this country. Homelessness is increasing and we would like to see additional investment in services to prevent homelessness and in increasing the supply of affordable housing.

The measures also do not address some of the fundamental causes of homelessness and we remain concerned about the possible impact of further welfare cuts - in particular, the extension of LHA rates to the social sector.