



BEHIND EVERY DOOR

The cost of placing young people in supported lodgings

JUNE 2025



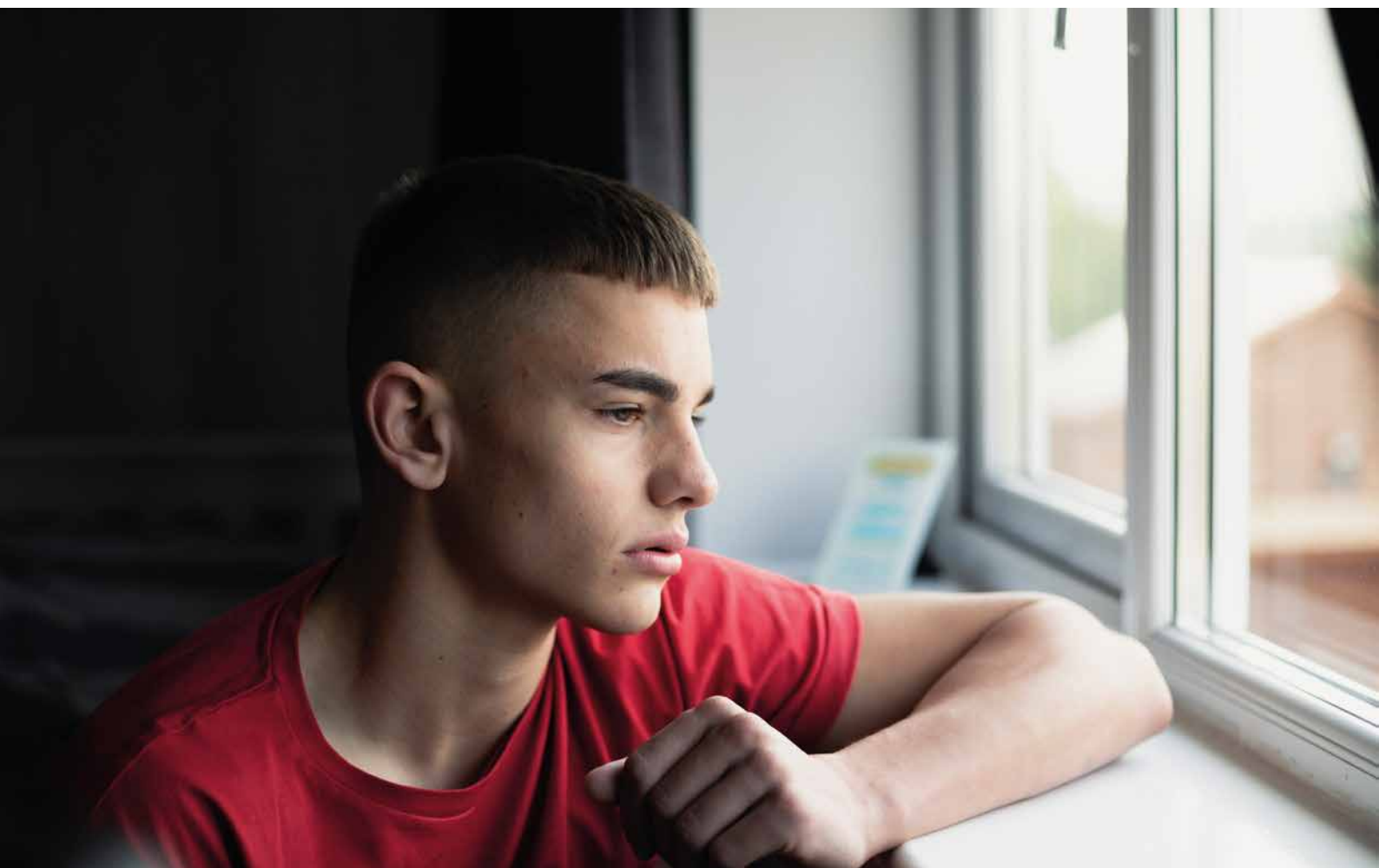
Supported Lodgings
National Network

 A Home for Good initiative



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TERMINOLOGY

TERM	DEFINITION
Supported Lodgings	Supported lodgings is a provision for young people aged 16+ whereby they live in the home of a "host" family or individual
Provider	The organisation responsible for delivering and overseeing the supported lodgings scheme. This may be a local authority, charity, or housing body.
Host	An individual or family who provides a room and support to a young person in their home as part of a supported lodgings placement.
Young Person	A person aged 16–25 living in supported lodgings, typically a care leaver, separated and migrant children (SMC), or someone at risk of homelessness.
SMC	Separated and migrant children refers to young people under the age of 18 who arrive in the UK without a parent or guardian. This is updated terminology, replacing the previously common term: unaccompanied asylum-seeking children (UASC).
Wraparound Support	Additional services provided alongside the placement, such as keywork, therapy, clinical supervision, and out of hours emergency support.
Tiered Model	A structured system in which placements are categorised by level of need (e.g. low, medium, high), with corresponding support levels and funding rates.

EXECUTIVE SUMMARY

Supported lodgings offers young people aged 16 and over a unique housing option - combining a home environment with relational support to help with a gradual transition to independence.

This report presents a detailed analysis of the costs associated with delivering supported lodgings, drawing on a national provider survey, interviews, and costed examples from both local authority and third-sector independent schemes.



To secure and scale supported lodgings, this report outlines a series of targeted recommendations for national and local action.

A full list of recommendations can be found on page 24.

KEY FINDINGS:



Weekly host payments typically range from **£200 to £300**, depending on local arrangements and scheme maturity.

Supported lodgings is significantly more cost-effective than other forms of accommodation - costing a fraction of residential care (**around 10% of the equivalent cost per week**) and lower than most semi-independent placements.



Wraparound support services -

such as youth work, supervision, and therapeutic input - can add

£100 – £300 per week per placement.



Recruitment costs per host vary significantly. Some schemes operate at **£500–£3,000**, while others invest **£12,000–£13,500** per host when accounting for comms, staffing, and incentives.

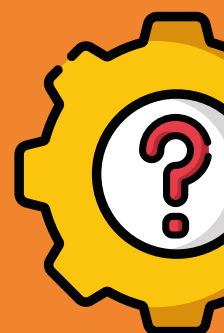


Costs differ based on the young person's profile -

with separated and migrant children (SMC) often requiring more intensive support and specialist services.



For young people aged 18 and over, funding is highly reliant on Universal Credit and Housing Benefit, which can be administratively complex.



INTRODUCTION

Supported lodgings is a provision for young people aged 16+ whereby they live in the home of a “host” family or individual.

It aims to provide a balance of independence and support, with the host responsible for supporting the young person to develop skills for independence and providing other emotional and practical help.



THE MODEL IS USED WIDELY TO ACCOMMODATE:

Young people
transitioning out of the
care system

Separated and
migrant children
(SMC)

Young people
at risk of
homelessness

While supported lodgings is increasingly recognised for its positive outcomes and cost-effectiveness, its financial framework remains unclear or underdeveloped in many areas.

There are wide variations in how supported lodgings is delivered across the country, yet little comparative data is available to inform policy or commissioning. This report seeks to address that gap.

Drawing on survey data from nearly 40 providers, in-depth interviews with operational leads, and detailed costed case examples, it offers a transparent view of the real cost of delivering supported lodgings.

The aim is to support commissioners, policymakers, and funders to make informed decisions and to strengthen the infrastructure behind this vital form of provision.

METHODOLOGY

This report is based on a mixed-methods research process combining quantitative data collection with in-depth qualitative insights:

NATIONAL PROVIDER SURVEY

A survey was distributed through the Supported Lodgings National Network. Responses were received from 39 providers, including local authorities and third-sector independent providers. Respondents shared detailed financial data on placement costs, wraparound services, recruitment and training expenses, and funding models.

SEMI-STRUCTURED INTERVIEWS

Follow-up interviews were conducted with a sample of supported lodgings providers across England. These included local authority-led schemes and third-sector independent organisations. The interviews explored cost drivers, service delivery models, commissioning relationships, and challenges in sustaining provision.

COSTED EXAMPLES

Two local authorities provided detailed costings, including recruitment budgets, benefit interactions, and per-placement breakdowns. While anonymised, these case studies allow us to illustrate real-world financial models.

DESK REVIEW

Background context and evidence on outcomes and delivery models were drawn from existing literature, including *The Voices of Supported Lodgings* and wider policy documents.

Together, these sources provide both an overview of supported lodgings cost structures and a detailed look at how they play out in practice.

UNDERSTANDING SUPPORTED LODGINGS

Supported lodgings is designed to offer young people aged 16 and over a stable home environment with the opportunity to develop skills for independent living.

Supported lodgings offers a distinct form of support that emphasises independence within a home-based setting. While young people live with a host and benefit from consistent guidance and emotional support, they are expected to take more responsibility for daily tasks and decision-making than in more intensive care arrangements. This makes supported lodgings particularly suited to those preparing to transition into adulthood.

CORE FEATURES OF SUPPORTED LODGINGS INCLUDE:

Home-based accommodation:

Young people live in the home of a host family or individual, with their own room and shared use of facilities.

Relational and practical support:

Hosts offer guidance, stability, and a supportive adult presence. The level of day-to-day input varies based on the young person's needs, but often includes help with cooking, budgeting, goal setting, and emotional wellbeing.

Professional oversight:

Supported lodgings schemes may also offer wraparound services such as youth work, on-call support, supervision for hosts, and pathway planning.

SUPPORTED LODGINGS IS USED FOR A RANGE OF YOUNG PEOPLE, INCLUDING:

Care leavers transitioning from foster or residential care.

Separated and migrant children (SMC) needing culturally responsive, trauma-informed support.

Young people at risk of homelessness, including those estranged from family or exiting unstable accommodation.



Schemes vary in how intensively support is delivered - some operate with tiered levels of service, others use a sole-tier model. Despite its effectiveness and relative affordability, supported lodgings often suffers from low public awareness and inconsistent local investment.





COST COMPONENTS OF SUPPORTED LODGINGS

The total cost of delivering supported lodgings is made up of several interlinked elements, including host payments, recruitment and training, wraparound services, and administrative support.

While weekly placement fees are often the headline figure, providers consistently emphasised that these do not reflect the full financial picture, especially where young people require more intensive support or specialist provision.

WEEKLY HOST PAYMENTS

The payment made to hosts is the most visible cost in a supported lodgings placement. Survey responses and interviews show this varies based on the local context and funding framework.

- Most schemes reported paying hosts between **£200 and £300 per week**, with some outliers as low as **£156** and as high as **£386**.
- Some schemes align host payments with local fostering allowances, while others base them on supported accommodation frameworks.
- In a small number of schemes, additional incentives (e.g. one-off bonuses or retainer payments) are used to aid host recruitment or retention.



Providers stress that host payments are only one component of the total placement cost. Hosts are responsible for household bills and basic support, but do not deliver formal care or therapeutic input, these are provided separately.

WRAPAROUND SUPPORT AND PROFESSIONAL SERVICES

Wraparound services can be a crucial part of high-quality supported lodgings and often represent a significant cost, though many schemes operate with limited or minimal support in this area. Where such services are in place, providers expressed how they enhance stability, reduce placement breakdowns, and improve outcomes for young people.

Common elements include:

- **Youth/keywork support:** Regular sessions to set goals, check in on wellbeing, and build life skills.
- **Host supervision:** Monthly or quarterly supervision with a professional lead to monitor host wellbeing and placement quality.
- **24/7 on-call cover:** Emergency support for hosts and young people.
- **Therapeutic/clinical support:** Some schemes include access to a psychologist, trauma-informed practitioner, or reflective supervision.

Estimates from providers suggest these services typically cost **£100 to £300 per young person per week**, depending on intensity. In many cases, these costs are met from core children's services budgets or charitable funds, rather than the placement fee itself.



RECRUITMENT AND TRAINING OF HOSTS

Recruiting and preparing hosts is resource-intensive, especially in a context of low public awareness of supported lodgings. Providers report a wide range of recruitment costs:



- **Lower-cost schemes** spend **£500 to £3,000 per host**, often by integrating recruitment with fostering teams or using limited digital marketing.
- **Higher-investment models** spend **£12,000 to £13,500 per host**, including staffing time, comms budgets, and community engagement.
 - One scheme allocated **£4,000 for communications** alone and engaged directly with community groups, religious centres, and refugee networks to attract hosts.

Retention is another concern. Several providers highlighted the need for ongoing support, peer networks, and opportunities for hosts to reflect and share experiences to reduce dropout.

ADMINISTRATIVE AND OVERSIGHT COSTS

Many local authority schemes are hosted within fostering or leaving care services. While this offers infrastructure benefits, it also creates hidden costs:

- Shared staff time (e.g. social workers supporting both foster carers and hosts)
- Shared IT, CRM, and referral systems
- Costs of maintaining regulatory compliance (particularly since new Ofsted registration requirements)

Based on provider estimates and available data, overheads for staffing, administration, and compliance are likely to fall within the range of **£3,000 to £8,000 per host per year**, depending on staffing models and organisational structure.



COMPARATIVE PLACEMENT COSTS

Supported lodgings is widely regarded as a cost-effective option when compared to other provision types:

Placement Type	Estimated Weekly Cost
Residential Care	£3,000–£5,000
Semi-Independent Accommodation	£450–£4,000
Supported Lodgings	£200–£500

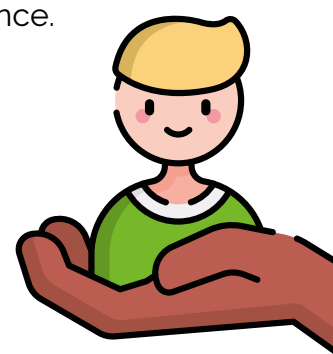
In many cases, supported lodgings offers greater consistency of support and stronger outcomes, especially when hosts build long-term relationships with young people.



FOSTERING AND SUPPORTED LODGINGS

While fostering and supported lodgings serve different groups of young people, there are also shared characteristics between the two models. Both involve placements in a family home setting, with an adult presence offering care, support and stability. In each, the adult is not typically viewed as a formal professional by the young person, but as someone who provides consistent support in a home environment. In fostering, this role is closer to that of a parent, offering care and supervision as part of a family setting. In supported lodgings, the role is more akin to that of a mentor—supporting the young person's independence while providing emotional and practical guidance.

In practice, several local authorities operate supported lodgings within or alongside their fostering services, recognising the value of shared infrastructure and recruitment pathways. Given this overlap, it is helpful to understand how the costs of supported lodgings compare with those of fostering:



Provision Type	Estimated Weekly Cost	Notes
Fostering	£450–£650+	Includes a combination of the carer's allowance and a professional fee. Costs vary by child's age, needs, and local authority or agency. Sourced from published rates by fostering agencies and local authorities in England.
Supported Lodgings	£200–£500	Includes host payment and any additional support services (e.g. keywork, supervision). Costs vary depending on level of support and commissioning model.

This comparison is not intended to argue in favour of one model over the other. The two services meet distinct needs at different stages of a young person's journey. Supported lodgings falls under the category of supported accommodation and is explicitly designed for young people aged 16+ who are ready to begin their transition toward independent living.

COST DRIVERS

BY YOUNG PERSON TYPE

The level of support required, and therefore the cost of a supported lodgings placement, varies significantly depending on the background and needs of the young person.

This section explores how costs differ across key groups, such as separated and migrant children (SMC), care leavers, and young people at risk of homelessness, and highlights the case for adopting tiered funding approaches that reflect the varying intensity of support required.

SEPARATED AND MIGRANT CHILDREN (SMC)

Many providers report that a growing proportion of their placements involve SMC, and that this group often requires different support to domestic young people, especially in the early stages.

Additional cost factors include:

- Interpreting and translation services
- Cultural orientation and English language tuition (ESOL)
- Support with immigration legal processes
- Higher levels of emotional support, particularly for those with trauma histories
- Attention to religious and cultural needs (e.g. halal diets, travel for religious observance)

Estimated costs for SMC placements were often reported at the higher end of the supported lodgings range, though still significantly cheaper than other types of accommodation. When additional services are included, total **weekly costs** can rise to **£350–£400 per young person**.



"Hosts need more support and preparation when it comes to working with young people from different cultural backgrounds or with trauma histories. The demand is there - but the training hasn't caught up."

Some providers noted that while these costs are real, they may be absorbed by children's services teams rather than being formally recognised in supported lodgings budgets, creating a mismatch between delivery and funding.



CARE LEAVERS

Care leavers form another key group in supported lodgings. While they may be more familiar with statutory services, they still require consistent support to develop independent living skills and transition smoothly to adulthood.

Typical support includes:

- Structured life skills programmes (e.g. cooking, budgeting, tenancy readiness)
- Support with benefits applications, education, and employment
- Emotional support around relationships, mental health, and identity

The overall cost for care leavers is estimated to fall within **£250–£320 per week**.

YOUNG PEOPLE AT RISK OF HOMELESSNESS

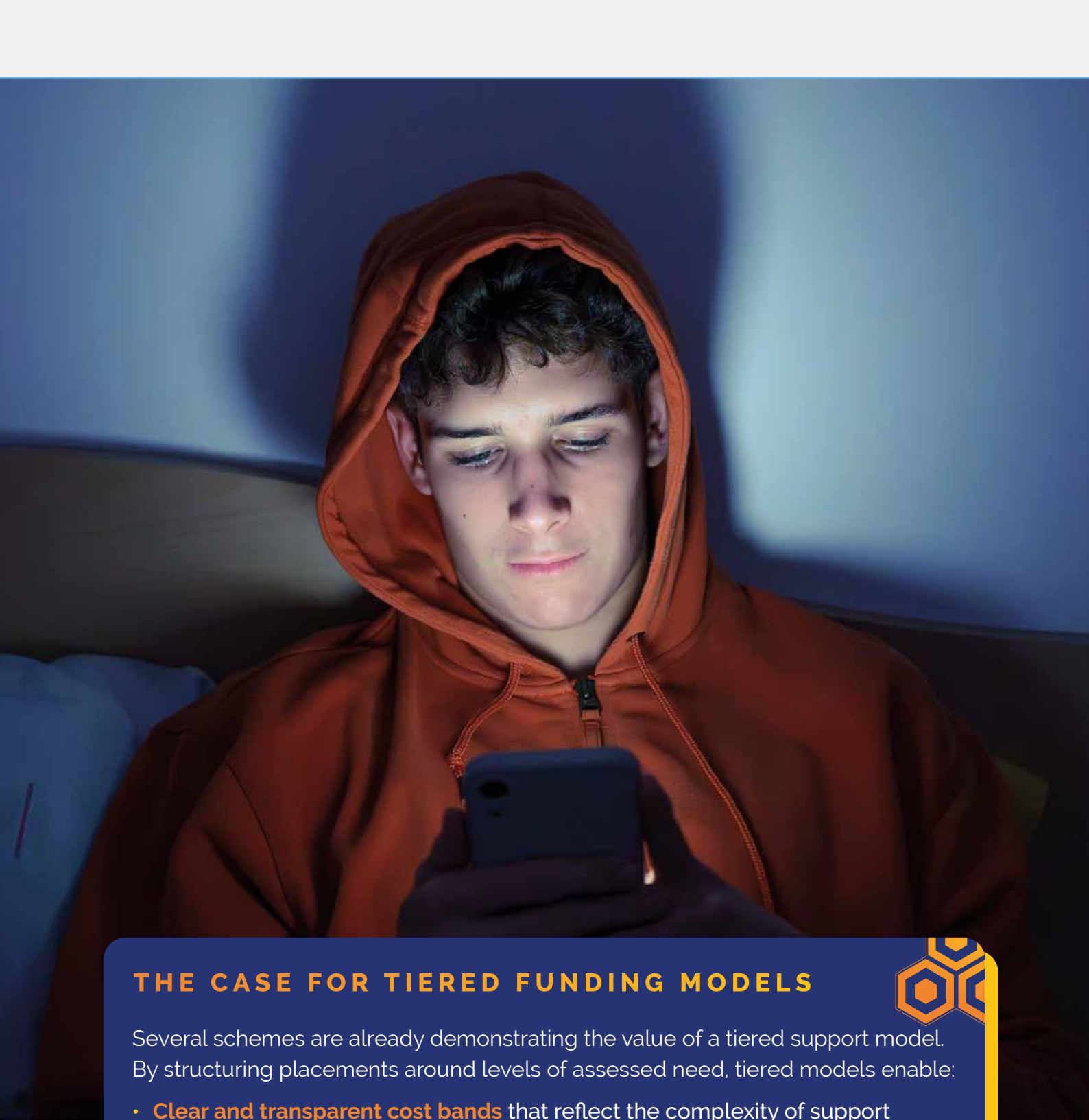
Supported lodgings is also used to prevent homelessness among young people aged 16+ who are estranged from family or have experienced housing instability. These placements often require front-loaded support, particularly in the first months.

Common needs include:

- Crisis intervention and risk management
- Help re-engaging with education, training, or employment
- Emotional and behavioural support

Estimated costs for this group can rise to **£300–£350 per week**, especially where mental health support or safeguarding input is required.

Young Person Type	Typical Support Needs	Estimated Weekly Cost (£)	Notes
Separated and Migrant Children (SMC)	Interpreting and translation Cultural orientation and ESOL Immigration legal support	£350 - £400	Costs often absorbed by children's services; training gaps for hosts
Care Leavers	Life skills (e.g. budgeting, cooking) Support with benefits, education, employment Emotional and mental health support	£250 - £320	Familiar with services; support needed for transition to independence
Young People at Risk of Homelessness	Crisis intervention and safeguarding Education/training re-engagement Emotional and behavioural support	£300 - £350	Costs often not uplifted in commissioning; high initial support needs



THE CASE FOR TIERED FUNDING MODELS



Several schemes are already demonstrating the value of a tiered support model. By structuring placements around levels of assessed need, tiered models enable:

- **Clear and transparent cost bands** that reflect the complexity of support required
- **Flexibility** for placements to move between tiers as a young person's needs change
- **Incentives and viability** for providers to accept and sustain higher-need placements

Providers emphasised that a tiered approach not only ensures fairer funding, but also supports better matching, continuity, and long-term sustainability.

ROLE OF UNIVERSAL CREDIT AND HOUSING BENEFIT

For young people aged 18 and over, many supported lodgings schemes rely heavily on welfare benefits, particularly Housing Benefit (HB) and Universal Credit (UC), to fund placements.

While these benefits offer a vital income stream sustaining many placements, they also introduce financial risks, administrative complexity, and inconsistency across schemes.

ROLE OF UNIVERSAL CREDIT AND HOUSING BENEFIT

Many providers require young people over 18 to make weekly contribution from their Universal Credit, typically in the range of £12–£20. This is designed to:

- Build budgeting skills
- Simulate rent payments
- Encourage financial responsibility

These contributions are either passed directly to the host or retained by the provider to support wraparound costs or transition expenses (e.g. furnishings when a young person moves into their own tenancy).



“It’s more about building habits than income - it gives the young person a sense of ownership.”

However, delays in UC applications, particularly during the transition from care, can cause gaps in funding and may deter some hosts from accepting over-18 placements.



HOUSING BENEFIT AS A CORE FUNDING STREAM

Some third-sector independent providers use Housing Benefit (HB) to cover some or all of the host fee. Local authority teams may top this up from core budgets to ensure the host receives the full payment.

- Typical HB contributions range from £60 to £192 per week, depending on local rent rates and whether the provision qualifies as Specified or Exempt Accommodation.
- In some schemes, HB allows the local authority to reduce their contribution to as little as £95–£120 per week, assuming full HB eligibility.
- However, not all providers have access to enhanced HB rates.

This results in significant variability in what different schemes receive for the same level of provision.

ADMINISTRATIVE AND STRUCTURAL RISKS



Reliance on welfare benefits presents several structural challenges:

- **Application delays:** Some providers report waits of **up to six weeks** for UC or HB to be processed, during which the placement remains unfunded.
- **Eligibility confusion:** Not all young people qualify for full UC or HB, especially those with irregular immigration status or insufficient documentation.
- **Impact on provider stability:** In schemes without core funding, a single delay or denial can jeopardise the financial viability of the placement.

Some local authorities attempt to mitigate this by front-loading payments or maintaining contingency budgets.



COMMISSIONING CHALLENGES

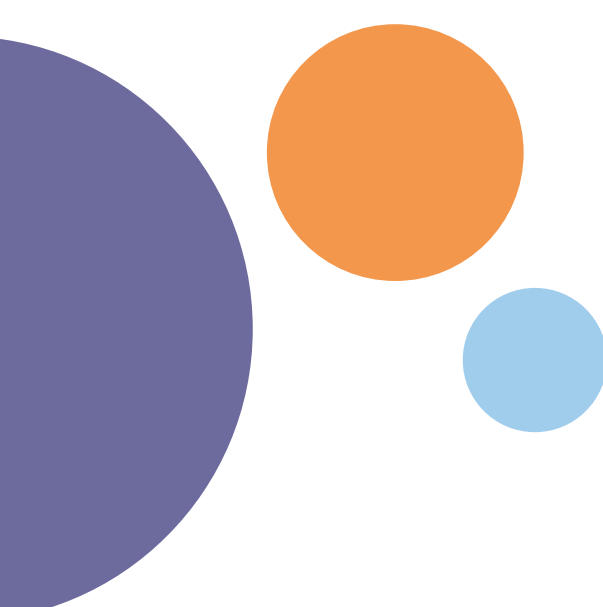
Despite its proven impact and relatively low cost, supported lodgings often exists in a grey area within local commissioning systems.

Providers report that supported lodgings does not “fit neatly” within standard frameworks for care, housing, or supported accommodation – sometimes leading to funding gaps, inconsistent expectations, and barriers to sustainability.

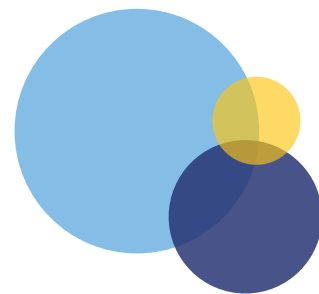
MISALIGNMENT IN COMMISSIONING FRAMEWORKS

Some providers expressed frustration that supported lodgings is often undervalued or misunderstood within local commissioning systems. Despite its relational and home-based strengths, the model is sometimes compared unfavourably to other types of supported accommodation that prioritise measurable outputs such as hours of keywork or building-based provision.

Commissioning frameworks tend to favour models with visible, quantifiable metrics, making it harder for relational forms of care, like supported lodgings, to compete, even when outcomes are strong. Several providers noted that funding mechanisms and procurement processes often fail to recognise the unique strengths of supported lodgings.



COST AND COMPLEXITY OF RECRUITMENT



The financial investment required to recruit a single host varies widely depending on the scale and strategy of the scheme:

- **Lower-spending providers** spend between **£500 and £3,000 per host**, often relying on fostering teams, word-of-mouth, and low-cost digital outreach.
- **Higher-spending providers** reported spending **£12,000 to £13,500 per host**, which includes:
 - Dedicated staffing
 - Community outreach (e.g. events, open evenings, place-based marketing)
 - Referral schemes for existing carers
 - Financial incentives (e.g. £1,000 bonuses for hosts upon completion of assessment)
 - Communications campaigns (e.g. social media, local press, posters)

Some schemes have trialled the use of CRM systems to manage leads, enabling them to track and nurture potential applicants through the recruitment pipeline.

BARRIERS TO RECRUITMENT

Recruitment efforts face several recurring challenges:

- **Low public awareness:** Many people do not know supported lodgings exists, or they confuse it with fostering.
- **Perceived complexity:** The assessment process, while necessary, is often seen as lengthy and bureaucratic.
- **Financial uncertainty:** Hosts, particularly those supporting over-18s, express concerns about inconsistent or delayed income linked to Universal Credit or Housing Benefit.

One provider described how targeted efforts to recruit hosts for separated and migrant children led to online backlash, forcing them to revise messaging and increase moderation on social media.



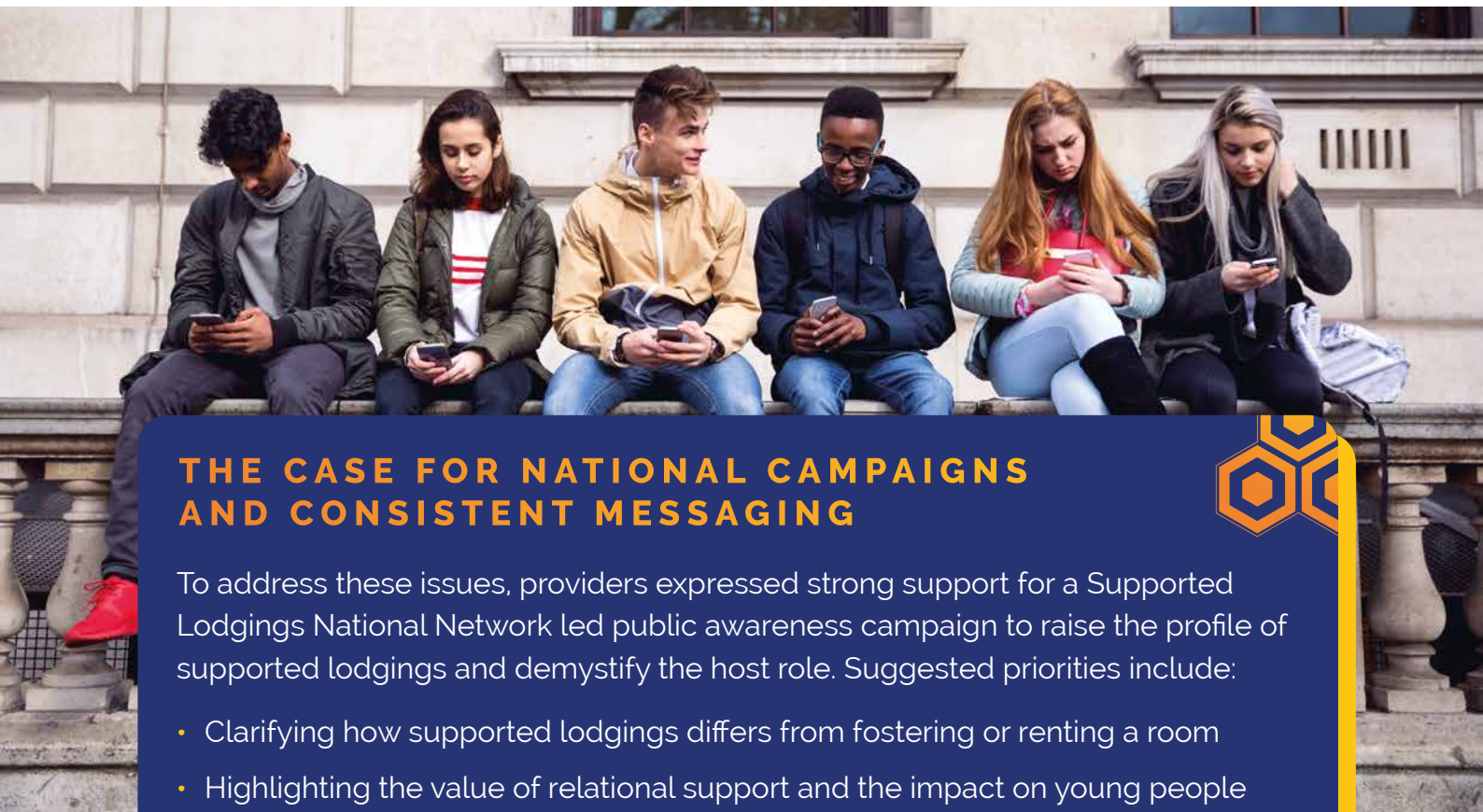
"We had some really negative comments and the comms people actually told us it was some of the most negative comments they'd ever had... But then honestly, that was around the time when we had an influx of people wanting to do it, so it was really effective."

SUPPORTING AND RETAINING HOSTS

Beyond recruitment, providers highlighted the importance of ongoing support to retain hosts over time. Effective strategies include:

- Regular supervision and reflective practice sessions
- Opportunities for peer connection through host meetups or training groups
- Crisis support and clear escalation pathways
- Transparent communication about changes to payments or placement needs

Despite this, retention can still be a challenge, especially for hosts supporting young people with high or escalating needs. Some providers reported host burnout or withdrawal after difficult placements, particularly where additional support was not available or recognised.



THE CASE FOR NATIONAL CAMPAIGNS AND CONSISTENT MESSAGING



To address these issues, providers expressed strong support for a Supported Lodgings National Network led public awareness campaign to raise the profile of supported lodgings and demystify the host role. Suggested priorities include:

- Clarifying how supported lodgings differs from fostering or renting a room
- Highlighting the value of relational support and the impact on young people
- Reassuring potential hosts about training, support, and financial stability



"What I've realised is that... people don't even know that supported lodgings is a thing they could do. So I think we need to shout louder about it so that it becomes something people in [the area] know exists as a thing you can do."

RECOMMENDATIONS

Supported lodgings is a cost-effective, relationship-driven provision that offers young people aged 16 and over the opportunity to live in a safe home while developing the skills for independent adulthood.

Yet it is sometimes undervalued in commissioning frameworks, inconsistently funded, and over-reliant on fragile benefit systems.

TO SECURE AND SCALE SUPPORTED LODGINGS, THIS REPORT MAKES THE FOLLOWING RECOMMENDATIONS:



- **Establish national commissioning guidance** specific to supported lodgings, separate from fostering or semi-independent accommodation.
- **Encourage tiered or banded schemes** based on young person need (e.g. low/medium/high intensity placements), allowing schemes to reflect real differences in support levels.
- **Support young people with early benefit applications** before their 18th birthday to ensure seamless transitions.
- **Establish routine collection of placement cost data** and young person outcomes across supported lodgings schemes.
- **Include supported lodgings more prominently** in government reviews of care leaver support, housing policy, and supported accommodation.

Supported lodgings offers young people a home, not just a roof over their heads, but a place of safety, belonging, and personal growth. Delivering that support comes with real, measurable costs. If these are recognised and funded, supported lodgings can flourish and in turn enable young people to develop in a safe, loving environment as they transition into independence.



APPENDIX A: KEY COST BENCHMARKS

Cost Component	Typical Range	Notes
Weekly host payment	£200 – £300	Varies based on scheme and local authority alignment
Wraparound support (weekly)	£100 – £300	Includes youth work, supervision, on-call, and therapeutic input
Recruitment cost per host	£500 – £13,500	Reflects different levels of investment (low- vs. high-resource models)
Placement cost (SMC, weekly)	£350 – £400	Includes interpretation, cultural support, trauma-informed services
Placement cost (care leaver)	£250 – £320	Often requires structured life skills and transition planning
Placement cost (homeless risk)	£300 – £350	Front-loaded support; may include safeguarding or crisis work
Residential care (comparison)	£3,000 – £5,000	Much higher cost with institutional setting
Semi-independent accommodation	£450 – £4,000	Variable support levels; often property-led

APPENDIX B: SURVEY AND INTERVIEW SAMPLE

- 39 responses from supported lodgings providers across England
- Mix of local authority-led and third-sector independent schemes
- 6 in-depth interviews with scheme leads, anonymised for confidentiality
- Costed examples from two contrasting regions (urban and mixed-area delivery)



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**Home
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**Safe
Families**

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