

Research Briefing

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Supported exempt accommodation (England)



Summary

- 1 What is supported exempt accommodation?
- 2 Who lives in supported exempt accommodation?
- 3 Is supported exempt accommodation regulated?
- 4 Issues and potential solutions
- 5 Action to address the issues

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Summary

What is exempt supported accommodation?

Supported accommodation is a broad term which describes a range of housing types. Exempt accommodation is supported housing which is exempt from certain Housing Benefit provisions. It is defined as:

- a resettlement place; or
- accommodation provided by a county council, housing association, registered charity or voluntary organisation where that body or person acting on their behalf provides the claimant with care, support or supervision.

Crisis, the national charity for homeless people, has said:

The exempt system was an acknowledgement that the costs of managing shared, supported housing could be higher than the norm, and that not for profit organisations' supported housing services may be unviable if benefit levels were limited using the same rules that applied to mainstream private renting.

What are the issues?

There are concerns that the sector is under-regulated. There is a view that the growth of exempt provision "[is associated with investors looking to maximise returns using the higher rents permitted by the exempt Housing Benefit provisions.](#)" Some providers are argued to be putting profit before the needs of residents, resulting in poor housing conditions and ineffective care and support.

Residents living nears to some units of exempt accommodation complain about its detrimental impact where vulnerable residents are not provided with adequate support.

Action to address the issues

- On 20 October 2020, the Government published [Supported housing: national statement of expectations](#), which set out a vision for the

planning, commissioning and delivery of supported housing for the first time.

- Also in October 2020, five pilots were established in Birmingham; Blackburn; Blackpool; Bristol; and Hull to improve quality; enforcement; oversight; and value for money in the sector. They were expected to focus on short-term, non-commissioned exempt supported accommodation. [An independent evaluation of the pilots](#) was published on 7 April 2022.
- On 17 March 2022, the Minister, Eddie Hughes, issued a [written statement](#) setting out Government plans for supported exempt housing. The plans include the introduction of minimum standards of support; changes to Housing Benefit regulations to clarify the definition of care, support and supervision; new powers for local authorities to better manage their local supported housing market and “ensure rogue landlords cannot exploit the system”. There will also be a £20 million supported housing improvement programme and legislation will be introduced when parliamentary time allows.
- Bob Blackman MP came seventh in the private member’s bill ballot and introduced the Supported Housing (Regulatory Oversight) Bill on 15 June 2022. Second reading is scheduled for 18 November 2022.
- The Regulator of Social Housing (RSH) is implementing more rigorous oversight of the sector, resulting in more non-compliant regulatory judgements.
- The Levelling Up, Housing and Communities select committee [launched an inquiry into exempt accommodation](#) on 7 December 2021. The inquiry is ongoing.

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What is supported exempt accommodation?

Supported accommodation is a broad term which describes a range of housing types. For example, it includes group homes, hostels, refuges, supported living complexes and sheltered housing.

Exempt accommodation is supported housing which is exempt from certain Housing Benefit provisions.¹ Exempt accommodation is defined as:

- a resettlement place; or
- accommodation provided by a county council, housing association, registered charity or voluntary organisation where that body or person acting on their behalf provides the claimant with care, support or supervision.²

Supported accommodation which meets the definition set out above is exempt from Housing Benefit regulations which limit rents to defined local levels.³

Housing Benefit isn't 'enhanced' for claimants living in this type of accommodation. Rent levels for supported accommodation are usually higher than rents for mainstream housing. This reflects, for example; higher maintenance; repairs and renewal; security and health and safety measures.

As explained above, claimants do not face the usual limitations which restrict help with housing costs to defined local levels. This means the assistance received through Housing Benefit is likely, subject to a claimant's personal circumstances, to cover the full amount of the rent charged.

Prospect, a registered provider of exempt supported accommodation which subsequently decided to close its operation, published a report on its experiences in October 2021. The report describes why exempt provision came about:

Exempt Accommodation was introduced in acknowledgment of the higher costs associated with certain types of supported or supervised accommodation. It is for this reason that residents are allowed to apply for benefits that are more than the LHA. The provision of "care, support and

¹ Help towards housing costs for people living in supported 'exempt' accommodation is provided outside of Universal Credit.

² This definition is set out in paragraph 4(10) of Schedule 3 to the Housing Benefit and Council Tax Benefit (Consequential Provisions) Regulations 2006.

³ Limits set by Local Reference Rents and Local Housing Allowance rates.

supervision” is critical, as without it, the accommodation cannot be considered as exempt accommodation.⁴

Crisis, the national charity for homeless people, has said:

The exempt system was an acknowledgement that the costs of managing shared, supported housing could be higher than the norm, and that not for profit organisations’ supported housing services may be unviable if benefit levels were limited using the same rules that applied to mainstream private renting.⁵

⁴ [Safe Successful Sustainable: A shared vision for better homes, support and opportunities](#), Prospect, October 2021, p8

⁵ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021

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Who lives in supported exempt accommodation?

This accommodation is intended for people with support needs. It is a sector which houses more marginalised groups, such as recent prison leavers; care leavers; those fleeing domestic violence; and homeless people with substance dependence or mental health issues.

Freedom of Information (FOI) data obtained by Crisis (national charity for homeless people) from the Department for Work and Pensions (DWP) showed “153,701 households in Great Britain were housed in exempt accommodation as of May 2021. This represents a 62% increase from 2016 to 2021.”⁶

Prospect’s report also contains information from FOI requests received from 97 local authorities of which 85 provided some data. Birmingham, the largest authority user of this type of accommodation, did not supply data but estimates are included based on local intelligence and engagement:

At least c.106,000 people are thought to be living in exempt accommodation nationally. This is based on FOI data provided illustrating that 38,000 people were living in exempt accommodation plus an estimate of a further 46,000 for those authorities who were unable to be precise and anecdotal knowledge of a further c.22,000 living in such housing in Birmingham.

We estimate that at least £816m has been spent on exempt accommodation in the last financial year alone. This is based on the responses received and a conservative estimate for those who were unable to provide exact figures.⁷

The data collected by Crisis demonstrates substantial growth but does not “convey the extent to which providers are satisfactory or problematic.” Crisis called for further investigation to quantify the scale and profile of exempt provision and to inform future policy.⁸

Research carried out for Commonweal Housing (2019) suggested a broad range of people who access the sector, including:

- Women who are fleeing or have experienced trauma, exploitation, violence and abuse
- Refugee and migrant groups, often directly after leaving asylum accommodation

⁶ [Over 150,000 households in controversial exempt accommodation](#), Crisis, 21 September 2021

⁷ [Safe Successful Sustainable: A shared vision for better homes, support and opportunities](#), Prospect, October 2021, p14

⁸ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p8

- Those experiencing substance or addiction issues
- Individuals with mental health problems in varying degrees of severity
- Those rough sleeping immediately prior to access
- Care leavers • Those who have had contact with the criminal justice system: both newly released from prison and those with offending histories
- Individuals leaving a range of other institutional settings such as hospitals, care homes, and addiction treatment centres
- Other individuals who have an urgent housing need and are excluded; either financially or due to previous housing and tenancy-related problems, from accessing more suitable – or desired - forms of provision.⁹

Within these groups, the salient characteristics identified were:

- An urgent need for accommodation
- Perceived by housing providers as ‘risky’, ‘complex’ or ‘high need’
- A reduced ability to assimilate the cultures, practices and systems of homelessness and housing provision.¹⁰

⁹ [Exempt from Responsibility? - Spring Housing](#), 20 November 2019, p25

¹⁰ As above.

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Is supported exempt accommodation regulated?

Crisis describes the sector as “dangerously under-regulated.”¹¹ The research conducted for *Commonweal Housing (2019)* said:

...as it stands, the fact non-commissioned exempt providers may be, directly or indirectly, under the auspices of the government Regulator does not appear to give assurances about adequate levels of accountability, monitoring, support and wellbeing considerations for largely vulnerable and excluded client groups.¹²

There is no single central regulator of supported accommodation. If the accommodation is provided by a housing association, in most cases the landlord will be registered with the [Regulator of Social Housing \(RSH\)](#) and will be subject to the associated [regulatory framework](#).¹³ Within an association, the Board carries responsibility for ensuring compliance with statutory obligations and the regulatory framework.

The approach to regulation taken by the RSH is risk-based. The focus is on providers with more than 1,000 units of social housing. Additionally, priority is given to the governance and financial viability of these providers; consumer regulation has played a lesser role.

[The Social Housing White Paper](#) (November 2020) acknowledged “the current regime of consumer regulation is not strong enough” and set out measures to establish a new, proactive consumer regulation function, intended to achieve parity with economic regulation.¹⁴ The Government has committed to:

Transform the consumer regulation role of the Regulator of Social Housing so it proactively monitors and drives landlords’ compliance with improved consumer standards.¹⁵

¹¹ [Over 150,000 households in controversial exempt accommodation](#), Crisis, 21 September 2021

¹² [Exempt from Responsibility? - Spring Housing](#), 20 November 2019, p20

¹³ Other bodies involved in regulation might be the Charity Commission if they are registered charities; The Financial Conduct Authority; and The Office of the Regulator of Community Interest Companies if they have been established as CICs.

¹⁴ Commentators have noted that a more proactive approach to consumer regulation marks a move back to the regulatory approach taken by the Tenant Services Authority (TSA), the former regulatory agency of registered providers of social housing. In October 2010 the Coalition Government [announced](#) the TSA would be abolished and its responsibilities for governance and financial regulation of registered providers would pass to the Homes and Communities Agency.

¹⁵ Social Housing White Paper - [The Charter for Social Housing Residents](#), Ministry of Housing, Communities and Local Government (now Department for Levelling Up, Housing and Communities).

The Government's [levelling up white paper](#), published on 2 February 2022, included a commitment to bring forward a Social Housing Regulation Bill. The Secretary of State for Levelling Up, Housing and Communities, Michael Gove, said the Government hoped to introduce the Bill in May or June 2022.¹⁶

Many of the issues identified with supported exempt accommodation concern consumer issues such as the standard of accommodation provided, the standard of support provided, and the impact of poorly managed units on local neighbourhoods.

A notable development has been the growth of lease-based providers of supported exempt accommodation. Under this model the association leases accommodation. For example, Prospect housing association leased over 2,000 units of accommodation in 300 buildings from private landlords. Day-to-day management was supplied through contracts with managing agents.¹⁷

Support can be supplied by managing agents or, as in Prospect's case where around 25% of residents received care and support direct from Prospect, by the landlord housing association.¹⁸

The lease-based model is subject to the same regulatory requirements as other registered providers.

The Crisis briefing identified an issue with regulation where registered providers are judged to be providing exempt accommodation which is 'non-social' housing, which it describes as units let at market rents:

Further, where registered providers are judged to be providing 'non-social housing', as is often the case for exempt providers, they are not subject to even reactive consumer regulation. These loopholes in regulation have created particular problems in neighbourhoods where large numbers of homes are converted for use as exempt housing.¹⁹

Alternatively, if the service is commissioned by a local authority the commissioning body (local authority) would be responsible for monitoring delivery of the service and ensuring it meets the contractual requirements.

Issues arising within this sector primarily concern non-commissioned exempt supported accommodation. The Crisis briefing said commissioned exempt accommodation can work well:

Much exempt accommodation is commissioned by public sector bodies alongside funding for support and is subject to their oversight. Even when exempt accommodation is not formally commissioned, it can work well if

¹⁶ Levelling Up, Housing and Communities Committee, [Oral evidence: Building Safety: Remediation and Funding](#), HC 1063, 21 February 2022, Q218

¹⁷ [Safe Successful Sustainable: A shared vision for better homes, support and opportunities](#), Prospect, October 2021, p3

¹⁸ As above, p12

¹⁹ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p7

delivered in collaboration local authorities, with councils playing an active role in ensuring that provision is good quality and meets local needs.²⁰

Local Authorities have an oversight role in ensuring that Housing Benefit claims comply with requirements set out in legislation. In a response to a parliamentary question (July 2020) then-Housing Minister, Christopher Pincher, said decisions about whether a provider falls under the ‘exempt’ definition, and is therefore unaffected by rules limiting Housing Benefit payments, is one for local authorities to make:

As set out in my answer of 21 July 2020 to the Honourable Member for Ladywood (Questions: 75242, 75243 and 75244), whether or not accommodation is ‘exempt’ is a matter for local authority housing benefit departments. The Regulator of Social Housing regulates only those landlords that wish to register with it and who are able to meet its registration requirements (other than local authorities who own homes that are automatically registered). All housing must comply with housing health and safety and building regulations legislation, which is designed to ensure adequate living standards.²¹

Bristol City Council is cited as an example of an authority which proactively sought to address providers suspected of exploiting Housing Benefit provisions.²² Birmingham City Council is reported as having reclaimed £3.6m from the exempt accommodation sub-sector since April 2019.²³ Birmingham has developed a [set of quality standards](#) for all exempt accommodation providers in the city²⁴ and a [Charter of Rights](#) “to make tenants and their families aware of the service they should expect”.²⁵

A further issue raised in relation to regulation is the lack of a requirement to seek a licence to operate certain Houses in Multiple Occupation (HMO) where the landlord is a registered provider. A proportion of supported exempt accommodation would fall within the definition of a licensable HMO but for this exemption. The Crisis policy briefing observed “providers face fewer obligations in respect of property standards, management and safety.”²⁶

²⁰ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p1

²¹ [PQ 76658 \[Supported Housing: Regulation\], 1 September 2020](#).

²² [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, pp3-4

²³ “Council reclaims £3.6m in benefit overpayments from exempt accommodation landlords and tenants”, Inside Housing, 21 September 2021 [subscription required]

²⁴ Birmingham City Council and bvsc, [Supported exempt accommodation quality standards](#), V1.0, 2020

²⁵ [Supported Exempt Accommodation](#) Birmingham City Council [accessed on 28 November 2021]

²⁶ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p4

4 Issues and potential solutions

4.1 Exploiting exempt Housing Benefit provisions

There is significant demand for accommodation to meet the needs of more marginalised groups such as prison leavers, care leavers and those with mental health or addiction issues. The needs of these people are not easily met by the traditional social housing sector within the context of what Crisis describes as “the critical shortage of affordable homes”.²⁷

There is a view that the growth of exempt provision “is associated with investors looking to maximise returns using the higher rents permitted by the exempt Housing Benefit provisions.”²⁸ Some providers are argued to be putting profit before the needs of residents, resulting in poor housing conditions and ineffective care and support.

Where the properties are badly managed, there can be knock-on effects for the local community which in turn can lead to the stigmatisation of residents. The concentration of vulnerable residents with varying support needs can, according to Prospect, place a “disproportionate and unsustainable demand on public services”.²⁹

The Crisis briefing referred to anecdotal evidence of registered providers being set up by investment vehicles to minimise their regulatory burden and generate income through the benefits system:

This has been fuelled by specialist consultants that advise investors on which areas of the country to target to maximise returns. We have heard about examples of extreme malpractice, such as the sale of properties and trading of services at artificially inflated prices between linked agencies as a contrivance to engineer higher rents.³⁰

Where a Housing Benefit claim is received from a tenant of a registered provider the local authority will normally recover 100% of the cost via subsidy from the Department for Work and Pensions.³¹

²⁷ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p1

²⁸ As above, p2

²⁹ [Safe Successful Sustainable: A shared vision for better homes, support and opportunities](#), Prospect, October 2021, p33

³⁰ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p5

³¹ Limitations on subsidy payments apply where claims concern tenants of non-registered providers. This means the local authority will need to meet part of the cost itself.

Crisis called for:

Clarification of the steps needed to achieve greater consistency across local authorities in assessing exempt Housing Benefit claims. The aim is to ensure councils have the tools they need to limit or refuse payment as appropriate and to achieve “greater transparency in the way exempt rents are set.”³²

Prospect suggested:

Government considers introducing a minor change to Housing Benefit legislation to prevent housing benefit being paid on exempt accommodation which is not social housing. This will close the loophole that allows some providers to reduce their regulatory scrutiny.³³

In [Exempt from Responsibility?](#) (2019) Spring Housing called on the DWP to “strengthen the criteria and definitions of ‘care, support and supervision’ in exempt Housing Benefit and Universal Credit Regulations.”³⁴ The aim would be to ensure “organisations and landlords are appropriately funded for the accommodation services they provide to clients” and that clients are appropriately placed according to their level of need.

In the short-term Spring Housing said the DWP should “develop guidelines on assessing ‘exempt’ claims to allow for greater consistency across all local authorities and greater transparency for residents and providers.”³⁵

4.2

Inadequate regulation

The issues set out in section 4.1 are thought to have arisen in part because of inadequate oversight and regulation of the sector.

Crisis called on Government to:

Identify the additional tools local authorities and the Regulator of Social Housing need to ensure non-commissioned, shared exempt accommodation meets acceptable standards on an ongoing basis.³⁶

This might involve changes to local authorities’ licensing powers in relation to HMOs and a review of proposed reforms to the RSH “to ensure they are sufficient to prevent exploitation of the exempt accommodation system.”³⁷

³² As above, pp10-11

³³ [Safe Successful Sustainable: A shared vision for better homes, support and opportunities](#), Prospect, October 2021, p29

³⁴ [Exempt from Responsibility? - Spring Housing](#), 20 November 2019, p53

³⁵ As above.

³⁶ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p11

³⁷ As above.

Prospect supports a specific local authority-led licensing scheme for exempt supported accommodation “to prevent an over saturation of accommodation in particular areas.”³⁸

Prospect also recommended improved oversight by the Boards of lease-based providers:

- Boards of lease based exempt providers to regularly review skills compliment of their Board to ensure they meet the need of the organisation, up-skilling existing or recruiting new members where skills gaps are evident.
- Regular reviews of the performance of the Board and its members, including a formal annual appraisal.
- Lease based exempt providers Boards to review their assurance processes to make sure that they are robust, and expectations fully articulated to organisational management teams.³⁹

In [Exempt from Responsibility?](#) (2019) Spring Housing called for guidance for providers on “embedding a resident feedback regime” with annual monitoring of implementation and client feedback ratings.⁴⁰

4.3

Funding

Commentators have identified changes to the funding regime for supported housing as one of the drivers behind growth in exempt provision.

The Supporting People programme was launched in 2003 as a £1.8 billion ring-fenced grant to local authorities intended to fund services to help vulnerable people live independently. The ring-fence was removed in 2009.

In the 2010 Spending Review the Government announced Supporting People national funding levels would decrease from £1.64 billion in 2010/11 to £1.59 billion in 2014/15. In addition to reduced funding, concerns were raised about the effect of removing the ring-fence. It was suggested local authorities were using the funding to support other expenditure.⁴¹

Crisis has suggested provider use exempt status to seek to make-up for losses in Supporting People funding by increasing rents or reclassifying elements of support as housing-related costs covered by Housing Benefit. In turn, it’s suggested that lease-based providers saw registered status as a way of

³⁸ [Safe Successful Sustainable: A shared vision for better homes, support and opportunities](#), Prospect, October 2021, p33

³⁹ [Safe Successful Sustainable: A shared vision for better homes, support and opportunities](#), Prospect, October 2021, p40

⁴⁰ [Exempt from Responsibility? - Spring Housing](#), 20 November 2019, p53

⁴¹ For more information see [The Supporting People programme](#), Commons Library briefing, RP12-40, 16 July 2012

attracting less scrutiny from local authorities because of more generous subsidy rules.⁴²

Where support provided in exempt accommodation is not commissioned by a local authority, there is no specified funding for its provision. The cost of support cannot be met by Housing Benefit. Prospect's paper made the point that support provided in its accommodation "was far in excess of what could be reasonably described as enhanced housing management, making it ineligible for Housing Benefit."⁴³ Thus the cost was met by levying a service charge on residents which they met from their weekly Universal Credit entitlement.

Prospect called for a political conversation at a national level "to consider what care should be provided to homeless vulnerable people, and how it should be funded."⁴⁴

Crisis argues for reduced dependence on the exempt sector by "restoring investment in social housing supply and providing local authorities with a sustained funding stream to commission support services that meet local needs."⁴⁵ Crisis supports a housing-led approach to addressing homelessness amongst vulnerable groups, of which Housing First is one example. Housing First "provides a permanent, settled housing and intensive, open ended support targeted at people with high and complex support needs."⁴⁶

4.4 Referrals and support

Questions about the suitability of support provided to residents in supported exempt accommodation have focused attention on assessment and referral pathways into non-commissioned provision.

Both Prospect and Crisis see scope for more effective assessments and planning to ensure residents receive appropriate support. Crisis has referred to the need for providers to monitor outcomes for residents to establish, amongst other things, value for money.⁴⁷

In [Exempt from Responsibility?](#) (2019) Spring Housing called for local authorities with exempt accommodation in their areas to:

⁴² [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p6
See also section 4.1.

⁴³ [Safe Successful Sustainable: A shared vision for better homes, support and opportunities](#), Prospect, October 2021, p13

⁴⁴ As above, p20

⁴⁵ [Crisis Policy Briefing: Tackling problems with non-commissioned exempt housing](#), October 2021, p9

⁴⁶ As above.

⁴⁷ As above, p11

Invest in a process of comprehensively mapping this sector; creating and disseminating transparent information to aid more appropriate referrals, enhance resident choice and respond more effectively to resident concerns.⁴⁸

⁴⁸ [Exempt from Responsibility? - Spring Housing](#), 20 November 2019, p53

5 Action to address the issues

5.1 A national statement of expectations 2020

On 20 October 2020, the Government published [Supported housing: national statement of expectations](#):

The national statement of expectations (NSE) sets out the government’s vision for the planning, commissioning and delivery of supported housing for the first time.

The guidance is aimed at local authorities, providers and other local partners. It is non-statutory, but our intention is the NSE will consolidate ‘what good looks like’ and empower local authorities to ensure provision is good quality and value for money.

It also includes case studies highlighting best practice by providers and local authorities.⁴⁹

5.2 Pilot schemes (now finished)

Also in October 2020, the Ministry of Housing, Communities and Local Government (MHCLG)⁵⁰ announced five pilots in Birmingham; Blackburn; Blackpool; Bristol; and Hull supported by £3 million.⁵¹ The pilots were established to improve quality; enforcement; oversight; and value for money and were expected to focus on short-term, non-commissioned exempt supported accommodation.

Four of the pilots were extended for six months from March 2021.⁵² The Bristol pilot did not submit a bid for funding for phase two but “will still carry out inspections and monitoring of the city’s supported housing units in the coming months.”⁵³ Findings from the pilots are to inform future national policy.⁵⁴

⁴⁹ Ministry of Housing, Communities and Local Government (MHCLG), [Supported housing: national statement of expectations](#), 20 October 2020

⁵⁰ Now the Department for Levelling Up, Housing and Communities (DLUHC).

⁵¹ Localgov, “[Government launches £3m supported housing pilot](#)”, 20 October 2020

⁵² As above.

⁵³ As above.

⁵⁴ [Pilots to improve supported housing for vulnerable people extended](#), MHCLG, 19 March 2021

[An independent evaluation of the pilots](#) was published on 7 April 2022. The evaluation found:

- The pilots improved the quality of resident support and helped make it more tailored and sufficient for residents.
- Over the course of the pilots, local authorities reduced the number of illegitimate or unreasonable Housing Benefit claims paid out. They improved the process of Housing Benefit scrutiny and increased the number of reviews carried out.
- Local authorities estimated by the end of the pilot they had prevented £6.2 million being paid in error.
- Local authorities agreed the pilots led to improved quality and standards of accommodation through investment in property inspections and enforcement activities to identify and resolve property hazards.
- Local authorities found conducting an assessment of demand for and supply of supported housing helped to improve their understanding of the local market. Local authorities that have conducted a strategic planning exercise experienced further benefits.
- The pilots improved authorities' ability to intervene in new provision and prevent providers from establishing new and unnecessary schemes.
- Partnerships and multi-disciplinary ways of working were vital contributors to activity success.⁵⁵

There were some limitations to the impact of the pilots due to:

- The lack of a definition of care, support or supervision in the Housing Benefit regulations.
- Housing Benefit decisions can be appealed and there is a "low chance" of an authority's decision being upheld.
- Authorities may not make blanket decisions on whether a scheme meets the specified supported housing requirements in Housing Benefit regulations. Entitlement relies on an individual's circumstances.
- There is no requirement for providers to liaise with local authorities before setting up.⁵⁶

Key recommendations included:

- Make short-medium term funding available to local authorities to oversee supported housing in their area, to embed and potentially

⁵⁵ DLUHC, [Supported housing oversight pilots: independent evaluation](#), 7 April 2022, para 1.5

⁵⁶ As above, para 1.8

expand the pilots' work while longer term reforms (eg, regulatory and legislative measures) are agreed and implemented.

- Aim to define “care, support and supervision”, and review regulations around rent levels and subsidy, to increase the impact of Housing Benefit scrutiny activities.
- Strengthen local authorities' powers to support them to intervene in new supply where it is unnecessary or poor-quality. Options could include requiring a provider to seek the approval of the local authorities before establishing a new scheme.
- Review funding and regulation for the support element of supported housing to improve quality and support.⁵⁷

5.3

Government announcement March 2022

On 17 March 2022, the Minister, Eddie Hughes, issued a [written statement](#) setting out Government plans for supported exempt housing:

Minimum standards for the support provided to residents to ensure residents receive the good quality support they expect and deserve in order to live as independently as possible and achieve their personal goals;

New powers for local authorities in England to better manage their local supported housing market and ensure that rogue landlords cannot exploit the system to the detriment of vulnerable residents and at the expense of taxpayers; and

Changes to housing benefit regulations to seek to define care, support and supervision to improve quality and value for money across all specified supported housing provision.

We will introduce any measures requiring legislation when parliamentary time allows.⁵⁸

He also announced £20 million for a supported housing improvement programme:

Funding for this three-year programme will be open to bids from all local authorities and build on the clear successes of the supported housing pilots.⁵⁹

Subsequently, Bob Blackman MP came seventh in the private member's bill ballot and introduced the [Supported Housing \(Regulatory Oversight\) Bill](#) on 15 June 2022. The long title of the Bill says it will “make provision about the regulation of supported exempt accommodation; to make provision about local authority oversight of, and enforcement powers relating to, the

⁵⁷ As above, para 1.7

⁵⁸ [HCWS696](#)

⁵⁹ As above.

provision of supported exempt accommodation; and for connected purposes.”

Second reading is scheduled for 18 November 2022. If the Bill gains Government support it might be the vehicle through which the Government’s intended changes are implemented.

5.4 More rigorous oversight by the regulator

The RSH is implementing more rigorous oversight of the sector, resulting in more non-compliant regulatory judgements. At January 2021, 13 lease-based providers of supported housing had had non-compliant regulatory judgements or notices.⁶⁰

On 10 November 2021, David Rutley confirmed the Department for Work and Pensions is working with the Department for Levelling Up, Housing and Communities (DLUHC) on the oversight of supported housing:

The supported housing sector provides essential accommodation and support for the most vulnerable members of society to live as independently as possible in their community.

We are working closely with the Department for Levelling Up, Housing and Communities on the oversight of supported housing to ensure it is good quality and provides the right support for residents as well as value for money for taxpayers. As part of this work, all available options will be considered. Additionally, following extensive engagement with stakeholders, we are reviewing the guidance for specified accommodation claims to improve consistency in decision-making for exempt accommodation.⁶¹

5.5 Levelling Up, Housing and Communities Committee inquiry

The committee [launched an inquiry into exempt accommodation](#) on 7 December 2021. The terms of reference set out the questions the inquiry is seeking to answer:

- What is the quality of exempt housing provision?
- Is the current model of exempt accommodation financially viable, and does it represent value for money?

⁶⁰ [PQ 130681 \[Supported Housing: Inspections\], 11 January 2021.](#)

⁶¹ [PQ 68431 \[Supported Housing: Regulation\], 10 November 2021.](#)

- Are there significant geographical and regional differences in the provision and the problems of exempt accommodation?
- What is the proportion of exempt accommodation that is provided by registered compared to non-registered providers, and is an appropriate balance being struck?
- What is the proportion of exempt accommodation provided by commissioned compared to non-commissioned providers, and is an appropriate balance being struck?
- How does whether a provider is registered or non-registered, or commissioned or non-commissioned, impact the quality of provision?
- How should exempt accommodation be provided and what should the service cost?
- How should the regulatory oversight of exempt accommodation be organised?
- What should be the regulations governing exempt accommodation and how should those regulations be enforced?
- Is there sufficient publicly available information about exempt accommodation?⁶²

The inquiry is ongoing. Submissions were accepted up to 28 January 2022. The evidence sessions and written submissions can be accessed through the [committee's website](#).

⁶² Levelling Up, Housing and Communities Committee, [Levelling Up Committee launches inquiry into exempt accommodation](#), 7 December 2021

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