



Supported Housing (Regulatory Oversight) Bill

HL Bill 111 of 2022–23

Author: James Goddard

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On 21 April 2023, the second reading of the [Supported Housing \(Regulatory Oversight\) Bill](#) is scheduled to take place in the House of Lords. It is a private member's bill sponsored by Lord Best (Crossbench). The bill started in the House of Commons where it received broad cross-party support, including from the government.

Supported housing is accommodation provided alongside support, supervision or care to help people live as independently as possible in the community. Supported housing is available to groups such as older people, those with a learning or physical disability, or individuals or families who are homeless.

The purpose of the bill is to improve the regulation and oversight of 'supported exempt' housing. Supported exempt housing is a subset of supported housing which is exempt from the benefit cap and housing benefit limits in welfare regulations.

The bill has been introduced in response to concerns about poor quality accommodation and support from some providers of exempt housing. The bill would:

- require local authorities in England to review supported housing and develop strategies
- provide for the creation of a national expert advisory panel to advise on matters related to supported housing
- give the secretary of state power to introduce national supported housing standards
- give local authorities power to create local licensing schemes for exempt accommodation

During the bill's House of Commons stages, the only amendments made to the bill were minor government amendments. The bill passed third reading without division.

As housing policy is devolved, the bill extends to England and Wales but would apply in England only.

1. Background

Supported housing is accommodation provided alongside support, supervision or care to help people live as independently as possible in the community.¹ It is available to people who are vulnerable or who have care and support needs, such as older people, those with a learning or physical disability, or individuals or families who are homeless. Supported housing is provided by housing associations and local authorities, as well as charities, voluntary organisations and private landlords.

¹ Department for Work and Pensions, '[Housing benefit guidance for supported housing claims](#)', 25 May 2022.

The bill relates to the regulation of exempt supported housing. This is often short-term or transitory accommodation provided to those with support needs, such as recent prison leavers, those fleeing domestic violence and homeless people with substance dependence or mental health issues.² This type of accommodation is exempt from the benefit cap and other restrictions on the amount of housing benefit that can be paid to residents. The exemption is intended to recognise the higher running costs associated with this kind of accommodation.

There have been concerns raised about the quality of the accommodation and support provided in some exempt supported housing. The Department for Levelling Up, Housing and Communities has produced [explanatory notes](#) for the bill.³ The explanatory notes contend that some housing providers are “leaving vulnerable people at significant risk” in “unsafe” accommodation with little or no support. The explanatory notes argue that exempt accommodation can be “a blight on neighbourhoods” because of increased rates of crime and antisocial behaviour. It continued:

Some providers are claiming the high rates of rent available through tenants’ HB [housing benefit] payments, and in return are providing poor, even dangerous, quality provision.⁴

In October 2020, the government published a national statement of expectations for the supported housing sector.⁵ The statement set out guidelines on “what good looks like” in supported housing. It also set out best practice examples for achieving expectations, including assessing local need and planning effectively to meet demand and delivering good quality and good value accommodation.

Also in October 2020, the government launched supported housing pilots in five local authorities.⁶ The pilots made £5.4mn available to test ways to raise standards of accommodation and support and improve local authority oversight of the local supported housing market.

The evaluation of the pilots noted that its assessment was limited because of a lack of comparison groups. However, looking at before and after data for the local authorities involved, the evaluation found:

- improved quality of resident support, making support more tailored and sufficient for residents
- a reduced number of illegitimate or unreasonable housing benefit claims paid out, preventing £6.2mn being paid in error
- improved quality and standards of accommodation through investment in property inspections and enforcement activities to identify and resolve property hazards

Following on from the pilots, in March 2022 the government announced it would launch a new supported housing improvement programme targeted at a “minority of landlords” who charge high

² House of Commons Library, [‘Supported exempt accommodation \(England\)’](#), 30 June 2022.

³ [Explanatory notes](#). At the time of writing, the only explanatory notes available were those related to the version of the bill as introduced in the House of Commons.

⁴ As above, p 4.

⁵ Department for Levelling Up, Housing and Communities, [‘Supported housing: National statement of expectations’](#), 20 October 2020.

⁶ Department for Levelling Up, Housing and Communities, [‘Supported housing oversight pilots: Independent evaluation’](#), 7 April 2022.

rents for poor quality accommodation.⁷ The announcement stated that a package of measures would be implemented, including:

- minimum standards for the support provided to residents to ensure residents receive the good quality support they expect and deserve 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
- 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.⁸

In December 2021, the House of Commons Levelling Up, Housing and Communities Committee launched an inquiry on exempted accommodation.⁹ The committee said that, notwithstanding the government's steps to improve the sector, the inquiry had been initiated in response to "significant concerns" about exempt housing which had been raised with the committee. The inquiry received written and oral evidence, and the members of the committee travelled to Birmingham to visit areas with a high concentration of exempt accommodation and to hear directly from residents.

The committee's report was published in October 2022. It described the system of exempt accommodation as "a complete mess".¹⁰ It said that two years after the government had published the national statement of expectations on supported housing there were "still landlords providing unacceptably poor housing". It said that although there were many good providers, in the worst cases the system involved:

[...] the exploitation of vulnerable people who should be receiving support, while unscrupulous providers make excessive profits by capitalising on loopholes. This gold-rush is all paid for by taxpayers through housing benefit.¹¹

At the time of writing, the government had not published a response to the committee's report.

2. What would the bill do?

The bill has 14 clauses and no schedules.

Clause 1 would require the secretary of state to establish a supported housing advisory panel. This panel would provide information and advice about or in connection with supported exempt accommodation to the secretary of state, local housing authorities and social services. The clause would make further provisions on appointments to the panel and terms of office for panel members, which may not exceed five years.

⁷ House of Commons, '[Housing update](#)', 17 March 2022, HCWS696.

⁸ As above.

⁹ House of Commons Levelling Up, Housing and Communities Committee, '[Exempt accommodation](#)', 27 October 2022, HC 21 of session 2022–23, p 9.

¹⁰ As above, p 3.

¹¹ As above.

Clause 2 would place a duty on local housing authorities in England to review exempt supported housing in their local areas. Having carried out the review, the relevant authority would be required to publish a supported housing strategy by a date prescribed by the secretary of state in regulations, and at regular intervals thereafter. Social services would be required to assist in implementing the strategy, and both local authorities and social services would have to take due regard of the strategy when discharging their functions. Clause 2 would also provide that the secretary of state may issue guidance to local authorities in relation to the exercise of their functions under this clause.

Clause 3 would provide that the secretary of state may publish national supported housing standards for supported exempt accommodation. In particular, the standards may set minimum standards for exempt accommodation in relation to the condition of premises and the support provided.

Clause 4 would give the secretary of state power to make regulations requiring that persons who have control of, or who are managing supported exempt accommodation must obtain and comply with a licence issued by the relevant local housing authority.

Clause 5 would make further provisions about licensing regulations. It would set out the scope of issues which licensing regulations may include, including rules on the consequences of non-compliance, enforcement, exemptions and fees.

Clause 6 relates to requirements for consultation. It would provide that the secretary of state must consult with a list of designated statutory consultees before exercising the power to make licensing regulations in clause 4. The bodies listed as such consultees are each local housing authority and social services authority in England, the National Housing Federation and the Regulator of Social Housing.

Clause 7 would provide that local housing authorities must have regard to any national supported housing standards, and any guidance issued by the secretary of state, in exercising their licensing functions.

Clause 8 relates to planning. It would require the secretary of state to review the effect of licensing requirements (contained in clause 4) within three years of the regulations being made. That review would have to consider the type of premises used as exempt accommodation and the standard of care and support provided. In light of that review's findings, the secretary of state would then be required to consider whether to exercise powers to specify exempt supported accommodation as a use class under section 55(2)(f) of the Town and Country Planning Act 1990. This would mean that if the secretary of state considered that the licensing regime had failed to improve standards, they could consider specifying exempt accommodation as a use class requiring planning permission in some circumstances.

Clause 9 would amend section 191 of the Housing Act 1996 to provide that where someone leaves exempt accommodation for reasons related to poor conditions or care, and the standards within the accommodation do not meet the national supported housing standards, they will not be deemed to have made themselves intentionally homeless.

Clause 10 relates to information sharing. It would provide that the secretary of state may make regulations authorising certain persons to share information about exempt supported housing. The designated persons are local authorities, social housing providers, the Regulator of Social Housing, and the secretary of state. The regulations may not contravene any existing data protection legislation.

Clause 11 would provide local housing authorities with powers to use any information they have about housing benefit or council tax “for any purpose connected with the exercise of any of the authority’s functions under or by virtue of this act” or for investigating potential offences committed under this act. The use of the information must not contravene any existing data protection legislation.

Clauses 12 and 13 would make provision for the definition and interpretation of terms used in the bill, including the definition of supported exempt accommodation.

Clause 14 would make provision for the bill’s commencement, extent and short title. It would extend to England and Wales, but only apply to England. It would enter into force two months after receiving royal assent.

3. Consideration of the bill in the House of Commons

3.1 Second reading

The bill received second reading in the House of Commons on 18 November 2022.¹² Introducing the bill, its sponsor, Bob Blackman (Conservative MP for Harrow East), referred to the findings of the House of Commons Levelling Up Committee’s report on exempted accommodation. He argued that the sector was:

[...] absolutely rife with rogue cowboys taking advantage and exploiting vulnerable people. The bill presents a felicitous opportunity to ensure that the government intervene before the situation becomes critical for the majority of local authorities up and down the country.¹³

The levelling up, housing and communities minister, Felicity Buchan, confirmed the government’s support for the bill. She stated:

The matter we are here to discuss is one of the utmost seriousness and importance to the government. I am pleased to confirm that the government fully support the Supported Housing (Regulatory Oversight) Bill.¹⁴

Matthew Pennycook, Labour shadow minister for housing and planning, confirmed the opposition’s support for the bill. However, he said it was “not a panacea”. Mr Pennycook argued that although the bill was welcome, it did not address:

[...] the reasons that we have become overly reliant on non-commissioned exempt accommodation, including: a chronic shortage of genuinely affordable housing; reductions in funding for housing-related support; and new barriers to access for single adults requiring social rented or mainstream privately rented housing.¹⁵

¹² [HC Hansard, 18 November 2022, cols 940–59 and 966–1001.](#)

¹³ [HC Hansard, 18 November 2022, col 941.](#)

¹⁴ [HC Hansard, 18 November 2022, col 995.](#)

¹⁵ [HC Hansard, 18 November 2022, col 970.](#)

The bill received cross-party support and it passed second reading without division.

3.2 Committee stage

The bill was considered by a House of Commons public bill committee on 11 January 2023.¹⁶

During the debate, Clive Betts (Labour MP for Sheffield South East) moved three amendments. These sought to give local authorities powers to enforce the national supported housing standards created by clause 3 of the bill, and to place a duty on the secretary of state to explain why they had not implemented the national supported housing standards and the provisions on information sharing if they had not done so within a year of the act receiving royal assent. Mr Betts also spoke to another amendment which sought to ensure that assessments of residents' needs would be a condition of the provision of licenses for exempted accommodation.

On the assessment of residents' needs as a condition for awarding licenses, the minister, Felicity Buchan, said that the government was happy to consider it and she gave a commitment to introduce a similar amendment at report stage.¹⁷ The minister said the government disagreed with the other amendments, as there was already a provision in the bill for the secretary of state to report back on the licensing regulations after 12 months. Ms Buchan gave a commitment that if that provision was triggered, the government would also give an update on the implementation of the national supported housing standards and the information sharing provisions. Mr Betts withdrew the amendments.

Clive Betts also moved new clause 2 on behalf of Kate Hollern (Labour MP for Blackburn).¹⁸ New clause 2 would have placed a duty on local authorities to publish a "charter of rights" for residents of exempt accommodation. Ms Buchan said the government did not support the new clause, arguing there was a "significant risk of overlap" with the national supported housing standards. Mr Betts withdrew the new clause without pressing it to a division.

The bill's sponsor, Bob Blackman, moved several what he called "tidying" amendments.¹⁹ He said one of the amendments had been prompted by a request from the Local Government Association (LGA) to be removed from the list of statutory consultees. Mr Blackman said that the LGA had requested that local authorities be directly consulted instead. Mr Blackman ultimately withdrew the amendment following an assurance from the government that it would table an amendment at report stage to remove the LGA as a consultee. The government said that it did not agree that Mr Blackman's other technical amendments were necessary.

The committee agreed the bill with no amendments.

¹⁶ House of Commons Public Bill Committee, '[Supported Housing \(Regulatory Oversight\) Bill](#)', 11 January 2023, session 2022–23.

¹⁷ As above, col 18.

¹⁸ As above, col 26.

¹⁹ As above, cols 14–15.

3.3 Report and third reading

Report stage of the bill took place on 3 March 2023.²⁰ Three amendments were tabled, all by the government.

Government amendment 1 related to clause 4 on the powers of the secretary of state to make regulations requiring exempted accommodation to have a license from their local authority. The amendment would provide powers for the secretary of state to require every local authority in England to have a licensing scheme for exempt accommodation. As originally drafted, clause 4 could have resulted in some local authority areas being designated as requiring licenses for exempted housing while other areas were not. The government minister, Felicity Buchan, said the amendment was required to prevent:

[...] providers simply moving to areas without a licensing scheme and setting up there. With universal local licensing, we could prevent a landlord who had failed a “fit and proper person” test in an area with a licensing scheme from simply relocating to an area without licensing [...]²¹

The House agreed to the amendment without division, and it now forms clause 4(5) of the bill as introduced in the House of Lords.

Government amendment 2 related to clause 5 of the bill, providing for conditions that could be set in the licensing regulations. As per the commitment the government gave to Clive Betts at committee stage, amendment 2 would mean that a condition of awarding a license could include carrying out an assessment of the needs of residents in exempted housing. The House agreed to the amendment without division. It now forms clause 5(3)(c) as introduced in the Lords version of the bill.

Amendment 3 sought to amend clause 6 of the bill on the need to consult before making licensing regulations. As per the assurances which the government gave to Bob Blackman in committee, the amendment would remove the LGA as a designated statutory consultee. Instead, there would be a requirement to consult each local housing authority and social services authority in England. The House agreed to the amendment without division. It now forms clause 6(4) of the bill as introduced in the Lords.

The bill passed report without division.

Third reading of the bill directly followed report stage on 3 March 2023.²² The bill again received broad support and it was passed without division.

4. Read more

- House of Lords Library, [‘Supported housing’](#), 23 March 2023
- House of Commons Library, [‘The Supported Housing \(Regulated Oversight\) Bill 2022–23: Progress of the bill’](#), 19 March 2023

²⁰ [HC Hansard, 3 March 2023, cols 1016–23.](#)

²¹ [HC Hansard, 3 March 2023, col 1017.](#)

²² [HC Hansard, 3 March 2023, cols 1026–37.](#)

- House of Commons Levelling Up, Housing and Communities Committee, '[Pre-legislative scrutiny of the Supported Housing \(Regulatory Oversight\) Bill](#)', accessed 30 March 2023
- Crisis, '[Crisis policy briefing: Tackling problems with non-commissioned exempt housing](#)', 21 October 2022

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