



**Centre for the New Midlands**

## **EXEMPT ACCOMMODATION: CALL FOR EVIDENCE**

### **EVIDENCE SUBMITTED BY Centre for the New Midlands**

The Centre for the New Midlands is an independent, not for profit think tank focussed on the development and dissemination of new ideas.

Our immediate research interests are Housing and Communities and Digital, Culture, Media and Sport. We intend on expanding our work to explore Global West Midlands'; 'Transport, Environment and Infrastructure' as well as 'Democracy and Governance'. Ultimately, we are interested in how the Midlands becomes a more prosperous and attractive place for people to live, work, play, study and invest in. We want to see the broader Midlands region thrive in the Great Recovery.

#### **Our core aims and activity consist of:**

- Commissioning and conducting outstanding research – with tangible recommendations for change/action
- Sharing our research regionally and nationally with key influencers and decision makers from all across the political spectrum
- Providing early career researchers with a platform to demonstrate their outstanding research capabilities
- Hosting forums and conferences to bring business; third sector; researchers and policy makers together
- Invigorating energised debate through opinion pieces from business, social and political leaders

## **1. Exempt Accommodation in the Midlands**

The proliferation of non-commissioned exempt accommodation in the Midlands (Birmingham is often as the ‘epicentre’ of a national problem) is of particular interest to our Think Tank due to the impact it has on our local communities. We welcome the focus of the Select Committee on exempt supported accommodation and the learning which will come out of the inquiry.

Although the inquiry is specific in terms of the questions it asks around exempt accommodation, we think, for Birmingham, that there have been other unintended consequences caused by the exponential rise in exempt accommodation. An example is the loss of family homes that have been converted into non-commissioned exempt supported accommodation for single people in order for landlords to maximise their housing benefit income, by claiming to be non-commissioned exempt accommodation. It is estimated that over 5000 family homes have been lost to this process in the Midlands alone since 2014.

During this period, we have seen a steady increase in the Midlands of people accessing temporary accommodation – currently over 3000 households in Birmingham alone. This allied with the fact that we had only 3,272 affordable homes built in the West Midlands in 2019/20 (and similarly low numbers in the preceding years), has led to many that become homeless or roofless having no option but to enter exempt accommodation. It is often being the only housing pathway available for them. This has impacted on people’s ability to work due to the rents being significantly higher in exempt accommodation.

As we write, Birmingham has over 21,000 units of exempt accommodation in the city. To give this some context in 2019 it stood at just over 14,000, so the figure represents a huge increase - 50% in just two years –over a period in which, for the majority of the time, we have been in a pandemic.

Through our work across the Midlands, we know there is excellent provision of exempt supported accommodation which meets the needs of vulnerable residents by providing high quality accommodation in a communal setting with both intensive housing management and personalised support. We firmly believe that exempt accommodation provision is an important element of any housing strategy.

Our concern however, is that the growth of the sector is being fuelled, not by a genuine increase in the number of clients who need support, but by landlords’ desire to maximise their income by exploiting housing benefit rules for exempt accommodation. Low Local Housing Allowance levels (particularly for single people) have driven property investors to seek better returns by claiming exempt accommodation status. For those people with genuine support needs, a lack of explicit funding for housing related support since the ring fence was removed from the Supporting People programme in 2009 has meant that non-commissioned exempt accommodation seems to offer them their only route to receiving the support they need. However, it is clear to us that much of the growth in non-commissioned exempt supported accommodation fails to meet the needs of these people.

In addition to this, over recent years we have seen inadequate social housing supply push more and more people into exempt accommodation as their only housing option, regardless of whether they have support needs or not. This is needlessly increasing the cost of the housing benefit system.

These factors are well-known to local authorities but outdated housing benefit regulations make it extremely difficult for them to manage the supply and the quality. Too often this has led to an unacceptable ‘market response’ with unscrupulous providers offering poor quality accommodation, with little or no support. In some cases different groups of vulnerable residents are mixed in inappropriate and unsafe ways. This can cause significant impacts in some areas and communities.

The exponential rise in this type of provision is causing considerable concern in the West Midlands, with evidence growing that the model is becoming increasingly common in many other areas of the country. Alarmingly this is not always recognised at an early stage and can mistakenly be considered as legitimate Houses in Multiple Occupation (HMO) accommodation.

## 2. A National Crisis

Nationally, FOI information published by Crisis in October 2021 shows that 153,701 households in Great Britain were housed in exempt accommodation as of May 2021. This represents a 62% increase from 2016 to 2021<sup>1</sup>. It is estimated that £816m has been spent on exempt accommodation in the last financial year alone. Based on responses from 52 authorities, the spend on exempt accommodation has risen by over £110m between 2018-19 and 2020-21<sup>2</sup>.

It is important that need is identified, and that appropriate, high quality supported accommodation is provided to meet this need. This underpins the health and social care system, sustaining and promoting independent living within the community. However, where provision is not linked to identified need, but is instead driven by investment returns, there is a risk that public confidence in the whole supported housing sector and the wider benefits system will be undermined. This cannot be allowed to happen.

We believe that the combination of inadequate social housing supply, inadequate supported housing funding, and inadequate housing benefit regulations can only be addressed effectively with co-ordinated government intervention. Guidance will not be enough to address this growing problem.

### 2.1. Government and Local Authority Action Required

We support the proposals by partner agencies in the West Midlands and nationally, which would require government action to address this crisis in the following ways:

- A review of the current funding model for locally delivered supported housing – incorporating funding for support to vulnerable tenants and resources for local authorities to enable any new duties and responsibilities concerning regulation, planning, and commissioning to be carried out effectively.
- Consideration of a government national accreditation scheme for providers allied with additional regulation to enforce this, and a national database of providers' performance against these standards.
- Oversight of the provision and development of supported housing to be within the remit of Local Housing Authorities, based on a duty to assess the local need for supported housing and development of a supported housing strategy. This strategy should meet local need and include those who cannot remain in their local areas (e.g. refuge provision).
- For local authorities to have greater tools to control the provision and growth of exempt supported accommodation based on their needs assessment. This should include the ability to stop or restrict growth based on market saturation or oversupply and would mark a substantial step change in Councils' powers.

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<sup>1</sup> Over 150,000 households in controversial exempt accommodation | Crisis | Together we will end homelessness; October 2021

## 2.2. Key Requirements:

- Alignment of existing planning and HMO licencing powers to capture supported housing provision – (currently exempt from licencing, Article 4) to assist in managing supply.
- Strengthened definitions within current regulations relating to the level of provision of care, support, and supervision. The current Supported Housing Benefit Regulations have largely been untouched since 1996.
- Consideration of the scale of provision and ratios of support workers to vulnerable residents they are supporting, and for the source of funding for support to be transparent.
- Strengthen the role of the Regulator for Social Housing's ability to effectively monitor compliance against consumer standards for Registered Providers (RPs) in this sector. Especially, where providers operate a leased-based model for the provision and supply of accommodation and support.
- Strengthen the role of non-RP regulators including within the Charity Sector to ensure proper oversight of quality is in place.
- Put in place protocols for statutory referring agencies into Exempt Accommodation to create greater consistency and accountability for out-of-area placements.
- Provide greater enforcement powers in order to tackle providers who do not effectively manage ASB, including additional Community Safety powers.

This Inquiry represents an important opportunity for government to introduce changes to the way public funding is invested in the exempt accommodation sector so that the most vulnerable residents are helped to secure good quality, progressive accommodation and support, enabling a transition to greater independence and employment.

We believe this doesn't necessarily need to cost more money. There are potentially significant savings for the Treasury by tackling abuse of the current system and by using some of the core rent those local authorities gain via the current subsidy from the DWP.

## 3. Exempt Accommodation: Defining the Terms of our Submission

The 'exempt' provisions of Housing Benefit have been in place since 1996 and are the established mechanism of funding, primarily, the housing-related costs of a wide range of supported housing schemes. Many of these schemes provide reputable and often life-changing services and should not be threatened by any changes to the system. As such, it is important that we clearly define our terms.

Our submission, in the main, refers to:

**"shared residential units that are not commissioned under Local Authority Homelessness or Social Care Funding, or under Specialised Supported Housing (SSH) arrangements, and which utilise the 'exempt' provisions of current Housing Benefit and Universal Credit Regulations. This provision operates, at least ostensibly, on a short-term or transitional basis, accommodating a wide cross-section of often multiply excluded and disadvantaged groups, and is often under the governance of 'lease-based' Registered Providers of Social Housing<sup>3</sup>. "**

This type of supported accommodation is not 'new build' supply but utilises, and in many cases converts, existing buildings and homes into multiply occupied schemes.

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<sup>3</sup> See Raisbeck, T (2019) Exempt From Responsibility? for further details of lease-based RPs in the exempt sector

It is our overall contention in the remainder of this briefing that the regulations surrounding exempt accommodation are no longer fit for purpose, are open to exploitation by providers, and are often unable to provide the quality and levels of support required, or adequate reassurances around resident safeguarding and wellbeing. The above definition, we believe, most clearly identifies the parts of this ‘sub-sector’ where the myriad of weaknesses and gaps in the oversight, monitoring and regulation are most problematic.

A recent research publication coined the phrase ‘accountability deficit’ to refer to the cumulative weight of these gaps in scrutiny, oversight, regulation, and monitoring:

### 3.1. Housing Benefit and Funding for Support

- Housing Benefit administering authorities do not have the powers under existing regulation to carry out the necessary level of monitoring and assessment of housing benefit claims at ‘exempt’ rates. They cannot, for instance, demand to see evidence of support plans. This makes exploitation of the exempt accommodation regulations relatively easy and, therefore, attractive.
- Legislation only requires that claimants receive ‘more than minimal support’ in order to claim exemption from the LHA cap. ‘More than minimal’ is a very poor and imprecise definition, which makes it extremely difficult for administering authorities to refuse claims. Greater clarity is required in the regulations as to the level of care, support and supervision that is required in order for claims for exemption to be approved.
- Administering authorities do not have capacity to effective monitor the sector. Claim assessment is a desktop exercise which makes proving a case against a landlord at a benefits tribunal extremely difficult. This means that regulations can only be enforced to an extent.
- There is no mechanism allowed within the current regulations for administering authorities to take account of safeguarding protocols, building quality and suitability, and the level of support required (or provided) for individual claimants. Nor is there any assessment made of the skills and proficiency of provider (as there was under the Supporting People monitoring framework). There is also a clear need for a fit and proper person test to be applied.
- There is no power for the administering authority to limit the number of claims based on any assessment of local needs – if a provider meets the requirement to provide ‘more than minimal support’ there is, in theory, little an administering authority can do to refuse a claim which has led to an exponential growth in the sector based on the financial returns available, unconnected to any growth in needs. This may lead to unscrupulous providers taking risks to fill void bedspaces as their primary purpose is maximising their financial return
- This has led to huge increases in the housing benefit bill without evidence of any commensurate increase in the quality of accommodation or the outcomes achieved for residents.
- Regulations also do not provide administering authorities with the clear ability to modulate the level of rent in exempt accommodation based on the quality of accommodation or the quality of the support. These ‘flat rate’ approvals of claims across a whole area actively incentivise landlords providing smaller accommodation and less support.
- The level of rent being charged in exempt accommodation frequently leads to people becoming trapped in welfare dependency because the rewards of securing employment are outweighed by the cost of lost benefits, principally housing benefit.
- Regulations state that housing benefit should not fund support but since the removal of the ring fence from Supporting People funding in 2009, there has been a clear deficit in funding for support from central government. Some residents are being charged for the support they are receiving, and some providers are misusing exempt regulations via crossovers with IHM etc.
- Subsidy by the DWP could be used differently in a way that would assist local authorities. Part of the subsidy could be returned from the core rent so that a local oversight regime can be established. Our proposals therefore do not necessarily require new money, but simply more effective utilisation of existing payments.

### 3.2. Other Regulation and Oversight

- RPs, consumer standards, white paper, lease-based and regulatory intervention
- HMOs and RP exemption
- The lack of regulation of the non-commissioned sector means providers are not using established referral routes or needs assessment mechanisms to establish eligibility and the most appropriate type of accommodation/support. Individual landlords are simply identifying their own tenants. This has led to landlords 'importing' those in need of housing from other areas simply in order to fill their bedspaces. This movement of often vulnerable people is currently unchecked and unmonitored
- There is no accreditation or verification of non-commissioned providers by local authorities which means that vulnerable people have no way of knowing in advance whether their landlord will provide a good service or not.

### 3.3. Safety, Wellbeing, and Risk

- It is very clear that, in a model where the potential financial rewards are so enticing, many of the new entrants into the sector are not prioritising the safety and wellbeing of their residents. Yet what can happen to vulnerable residents in exempt accommodation is significant – we hear many stories of physical, financial and sexual abuse from people trying to flee the sector. The lack of a robust system of accreditation for non-commissioned supported housing providers is allowing these risks to grow unchecked.

### 3.4. Existent Environment and Push Factors for Growth/Utility of Exempt e.g.:

- Supported housing / single homelessness funding deficit
- The question is often asked as to how so many landlords manage to 'flip' their properties to non-commissioned exempt accommodation and still find tenants. The answer is that the chronic lack of truly affordable social housing and private rented homes has opened a gap for landlords to fill with exempt accommodation for people who find themselves with no other choices. Unless this is addressed in tandem with the exempt accommodation regulations, the numbers of people experiencing homelessness will increase.
- The reason why the supply of affordable private rented accommodation has dried up is that local housing allowance (LHA) rates are capped at levels which are so low it has incentivised landlords to look at how they can increase their financial returns. You don't need to look very far on the internet to see that it is full of 'successful property investors' selling the risk-free benefits of transferring property portfolios into exempt accommodation
- This leaves a high proportion of multiply-excluded, disadvantaged or at-risk individuals feeling 'forced' into the exempt accommodation sub-sector with little perceived choice, control or awareness of rights and options

We have to ask the question, why is there so little scrutiny over the huge sums of public money now being paid out to landlords – money that is supposed to provide shelter for the most vulnerable and marginalised groups?

## **4 Focused answers to inquiry terms of reference:**

### **4.1. What is the quality of exempt housing provision?**

The quality varies enormously. There are undoubtedly good landlords who use the enhanced rent levels available for exempt supported accommodation to invest in their stock and to provide a high-quality intensive housing management service. These landlords will have developed the accommodation in consultation with their local authorities and will generally tend to meet lower-level support needs. If they have no commissioned support, potentially because the local authority has limited support funding or none at all, they may fund support from charitable sources. Alternatively, 'floating' support may be provided by other agencies. Intensive housing management is likely to provide a level of oversight and supervision. Many providers, although not commissioned, will work closely with the local authority to meet the support needs of vulnerable people in their area.

However, it is abundantly clear that there are providers, both registered and otherwise, who do not spend the money they receive on providing high-quality accommodation that is fit-for-purpose or on delivering support to those in need. These providers see the current exempt accommodation rules as a no-risk way to maximise their investment return at the taxpayers' expense. The levels of return available from this approach are far in excess of those achievable from standard HMO and LHA rent levels, but they can be achieved without any commitment to the application of the rent standard or indeed eligible service charge rules.. The quality of many of these properties is well below any known standard. Although the Regulator Social Housing is now taking direct action against some of those providers where they are registered social landlords, the fact is that not all are. Accordingly, there is still a regulatory gap.

We think it would be useful if there was a licensing scheme (much like there is for HMO's) for non-purpose-built supported housing, (i.e. house conversions). It's also appropriate to consider introducing a 'Fit and Proper Persons' tests for directors of private limited companies that are operating non-commissioned supported housing.

There is also a more nuanced question as to whether brand new companies/entities should be allowed to start claiming public money (via housing benefit) without registering with a LA first and becoming an accredited supplier.

### **4.2. Is the current model of exempt accommodation financially viable, and does it represent value for money?**

Where support is commissioned separately and the quality of accommodation meets high standards and is well managed, it does represent value for money as the higher rents reflect higher costs of managing this type of accommodation. These include the communal areas and facilities) additional housing management services, and the costs associated with the higher turnover of residents as they progress and move on to independence. The current model is only financially viable if the support is funded separately and there is oversight and regulation to ensure that the rents and property charges are used to provide good quality accommodation.

However, we are seeing significant growth of a model of non-commissioned exempt accommodation where the higher rents are not used to maintain high quality accommodation and where some of the most vulnerable residents are accommodated in some of the poorest housing, without adequate support, trapped in unemployment. Ironically, this cycle of failure is all paid for by central government.

Nationally, FOI information published by Crisis in October 2021 shows that 153,701 households in Great Britain were housed in exempt accommodation as of May 2021. This represents a 62% increase from 2016 to 2021<sup>4</sup>

Often people are going into exempt accommodation as it's the only housing option that they have available to them. Their only support need may be that they are homeless. This system becomes hugely expensive as supported housing 'exempt' rents" make work and training prohibitive for most people. Affordable housing completions for the West Midlands were at 3,272 in 2019/20 and this isn't Covid related as the previous two years had comparably low numbers (3,714 in 2017/18 and 3795, in 2018/19). Out of those, only 710 homes were offered at a social rent, which gives the most opportunity for social mobility for those in paid work. Allied to this, the loss of private sector homes, (due, at least in part to the mass conversion of family homes to shared exempt accommodation), has meant that those in temporary accommodation has steadily risen during this period. We estimate the loss of up to 5000 private sector homes in the Midlands alone since 2014. The loss of affordable homes through Right to Buy has also contributed to the increase in people ending up in exempt accommodation due to necessity rather than need.

<sup>1</sup> [Over 150,000 households in controversial exempt accommodation | Crisis | Together we will end homelessness](#); October 2021

#### **4.3. Are there significant geographical and regional differences in the provision and the problems of exempt accommodation?**

The exponential rise in this type of provision is causing considerable concern in Midlands, however, evidence is growing that the model is becoming increasingly common in many areas of the country as investors and providers see the opportunity and unmet need. For many LA's it's become an important part of their housing strategy following the withdrawal of the Supporting People Programme after the ringfence was removed in 2009 and austerity measures were in place for nearly all LA's.

The 5 pilot areas provide examples across different regions and have taken a lead in addressing the issue and much learning is coming from their work. Investors and potential providers contact us regularly believing that there are opportunities for them. The yield they expect is unrealistic. We are also aware that many LAs and some providers still see this as an HMO issue, and it takes some time to realise what is actually happening. Some LAs are desperate for provision to meet local need and do not have the resources to commission support.

Unmet need, low LHA levels particularly for single people, inadequate social housing supply and no explicit funding for housing related support since the ring fence was removed from the Supporting People programme in 2009, are combining to encourage the growth of non-commissioned exempt housing. Current regulations rely heavily on outdated Housing Benefit regulations and make it extremely difficult for councils to manage the supply and the quality.

The combination of these issues and inadequate regulations can only be addressed effectively with government intervention. We believe that this could be done by taking some of the core rent from the DWP subsidy and giving this back to local authorities to effectively administer a regulatory regime for all types of supported housing. This would ensure that new money is not necessarily required, but would provide a re-profiling of the current rental model to allow for a subsidy grant to local authorities. We also think it's important, in particular for generic homeless non-commissioned exempt housing, that a local authority can turn down further claims for exempt accommodation rent levels to be paid if they can evidence that there is enough provision in their area.

#### **4.4. What is the proportion of exempt accommodation that is provided by registered compared to non-registered providers, and is an appropriate balance being struck?**

In Birmingham, it was found that there were 21,317 units of exempt accommodation and that 19,760 of these units (equating to 93%) are within the oversight of Regulator of Social Housing (RSH) regulation [scrutiny inquiry].

We don't actually know the national figure – as data is not readily available. But its likely due to housing benefit subsidy rules that Registered Providers will provide the majority of exempt accommodation in most local authority areas. Birmingham: 94% non- commissioned, 6% commissioned (best estimate based on pilot evidence)

We do not wish to make a forced binary distinction between commissioned and non-commissioned as 'good' vs 'bad' but, broadly, non-commissioned is the most problematic element of the sector and by definition the least regulated. Neither provision is inherently more problematic or better than the other, but in terms of having greater assurances and at least *some* form of oversight and regulation, RPs are preferable to either stand-alone charities or CICs. However, local authorities may take a different view on this because of the way the differing types of organisations can affect their subsidy losses.

Local authorities often don't get to make the decision of whether an 'appropriate balance' has been struck because they don't have the money to commission as much supported accommodation as they need.

If commissioning is done well, then of course it offers more assurances, so ideally more commissioned supported accommodation would be better. However, there must be caution against creating a false binary between commissioned services as good and non-commissioned services as bad. Many great schemes are not commissioned (for a wealth of reasons, and also not all Domestic Abuse provision should be under local authority control as it is a national resource). Until the government gives sufficient money to local authorities and this is ringfenced to supported housing provision, there will always need non-commissioned services !

There is also an argument that non-commissioned can be cheaper and also can be more flexible and innovative with its work.

Broadly, standard, generic homelessness services should all be commissioned/under the purview and monitoring of the local authority, in an ideal world and there would be exceptions for more specialist provision like domestic abuse, mental health, drug and alcohol rehabs because councils quite often do not have the budget or, in many cases, the expertise to commission these types of services.

It is important to address the subsidy issue here, too. Rent paid out to RPs can generally be claimed back from DWP at a rate of 100%. For non-RPs, this is not the case. Councils may favour RPs and scrutinise them less due to this, but it is important to note that there is no **guarantee** that any RP will provide the levels of quality, probity, etc that would be expected. The subsidy issue needs highlighting because it is grossly unfair and based on a now very outdated assumption that RPs are well-regulated and able to sufficiently monitor and address issues with this type of accommodation. It disincentivises local authorities from scrutinising claims and potentially represents a disinvestment in some really valuable forms of accommodation (e.g., refuges). It also creates an incentive for non-RPs to engage in leaseback arrangements with an RP which effectively guarantees them the same rent, guarantees the same subsidy reimbursement from DWP, but, crucially, means that the provision is exempt from effective regulator supervision.

It is undoubtedly the case that non-profit bodies that are only regulated by the Charity Commission, Office of the Regulator of Community Interest Companies etc. do not have anywhere near the level of specialist scrutiny that RPs do, and such entities are not set up to oversee these types of issues. RPs are better regulated, but significant gaps remain in terms of the people who can set RPs up, and, as seen, there has been a lot of failure in this sub-sector which regulatory involvement can't currently reach. This may change with the White Paper but is unlikely to affect this sub-set of the RP sector).

Essentially, the answer to the question really depends on priorities, viewpoint and fundamentally, what is needed in an area. - These are the key issues – local authorities have no powers to control provision in an area based on strategic needs assessments and some form of accreditation.

#### **4.5. How does whether a provider is registered or non-registered, or commissioned or non-commissioned, impact the quality of provision?**

There aren't the automatic assurances that RPs provide high quality accommodation and support. The regulatory judgements for many of the lease based registered providers in Birmingham show that there are some deep-seated problems with RPs in the sector and that it is all very reactive, i.e. there is no way to provide the assurances at the point of claim with RPs. LAs don't have any powers or duties to check quality, to liaise with the Regulator etc. prior to paying out claims.

And of course, the Regulator's powers do not extend anywhere near the quality of support/ quality-of-life issues for residents. This is where the case for consumer regulation set out in the White Paper is so important, incorporating specific measures for this type of accommodation and this client group. However, the White Paper is primarily focused on what we define as general needs tenants rather exempt supported accommodation tenants.

There are issues with CICs and the lack of accountability with that particular business model.

#### **4.6. How should exempt accommodation be provided and what should the service cost?**

It's important that exempt accommodation isn't viewed as a monolithic entity or an alternative phrase for a vast range of temporary, supported, and homeless-type accommodation when this is not actually the case. Therefore, the question is essentially flawed. Refuges are expensive because of the nature of the work. Working with 'complex needs' is, if done properly, expensive but it needs to be so.

It should therefore not be a question about what it costs but about cost being commensurate with the service provided and for these to be, as far as possible, benchmarked.

Greater scrutiny over service charges, greater monitoring over what is being provided and how much this costs, greater attention to what is needed in an area, etc all need to be considered within the scope of this question. It would not be feasible to have a flat rate, which is what this question appears to be asking. The sector is so variegated that to do this would potentially be misguided.

The pilots have required LAs to carry out a supported housing needs assessment and develop a supported housing strategy. This should underpin the development and provision of exempt accommodation. The Housing Benefit regulations should be updated to clarify what level of support, care or supervision is required. Government needs to address the support funding gap. If it were to, it could re-direct the current spends on non-commissioned poor provision into the provision of good quality supported accommodation which is commissioned to meet need. LA's should have some control but not total control re exceptions

around specialist services DV, LD. Long stay supported living as part of the NHS care plan to close long stay hospitals should be separated out, - focussing strictly on generic homeless provision

#### **4.7. How should the regulatory oversight of exempt accommodation be organised?**

Consideration of a government national accreditation requirement for providers supported with additional regulation need to enforce this. Oversight of the provision and development of supported housing should be within the remit of Local Housing Authorities, based on a duty to assess the local need for supported housing and development of a supported housing strategy, which meets local need and includes those who cannot remain in their local areas, for example refuge provision.

#### **4.8. What should be the regulations governing exempt accommodation and how should those regulations be enforced?**

As per the question above, enforcement should be via:

- Local Authorities to have greater tools, authority, and ability to control provision and growth based on their needs assessment. Currently Councils cannot stop or restrict growth based on market saturation or oversupply. There are two key aspects to this:
  - Alignment of existing planning and HMO licencing powers to capture supported housing provision to assist in managing supply – currently exempt from licencing, Article 4 etc.
  - Strengthened definitions within current regulations relating to the level of provision of care, support, and supervision.
- Strengthening definitions of care, support, and supervision to give greater consistency and transparency, and make it easier for LAs to challenge and refuse
- Ability for LAs to restrict and refuse based on strategic need
- Greater links between quality of accommodation and eligibility for HB? Links between legitimacy/proficiency of provider and eligibility therefore closing risk gaps
- Greater linkage between support and exempt housing related costs i.e., the regulations say the support must be needed and taken up by the tenant, but this fails to establish whether the support is suitable/adequate
- Guidance is not enough. Variable practices of LAs, competing pressures on budgets and staffing capacities, regional variations in homelessness and housing supply
- Any regulation/oversight must take into account both buildings and people
- Removing RP exemption from Housing Act 2004 around HMOs, at least for converted dwellings/change of use for exempt
- Strengthen the role of the Regulator for Social Housing and ability to effectively monitor compliance against consumer standards for RPs in this sector.
- Protocols put in place for statutory referring agencies into Exempt Accommodation to create greater consistency and accountability for out of area placements.
- Greater enforcement powers to tackle providers who do not effectively manage ASB, including additional Community Safety powers.
- DFE have recently published their response to the provision of supported housing for young people who are 16/17 year olds care leavers. Their approach using Ofsted lighter touch regulation for a younger age group has merit when considering quality and standards for the wider exempt supported housing sector.

#### **4.9. Is there sufficient publicly available information about exempt accommodation?**

Distinctions between exempt, HMOS, RPS, supported housing, care etc become elided in the public consciousness, which can both mask the scale of problems and leave residents, communities and stakeholders feeling without recourse or redress.