



Levelling Up, Housing and Communities Committee

Oral evidence: Exempt Accommodation, HC 959

Wednesday 27 April 2022

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Members present: Mr Clive Betts (Chair); Ben Everitt; Darren Henry; Kate Hollern; Andrew Lewer; Mary Robinson.

Questions 72 - 141

Witnesses

I: Denise Hatton, National Secretary and CEO, YMCA of England and Wales; Henry Meacock, Chief Executive, St Petrocs; David Fensome, Chief Executive, Concept Housing Association.

II: Matt Downie, Chief Executive, Crisis; Ashley Horsey, Chief Executive, Commonweal Housing; Sam Lister, Policy and Practice Officer, Chartered Institute of Housing; Farah Nazeer, Chief Executive, Women's Aid Federation of England.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Examination of witnesses

Witnesses: Denise Hatton, Henry Meacock and David Fensome.

Chair: Welcome, everyone, to this morning's session of the Levelling Up, Housing and Communities Select Committee. This morning we are looking at the issue of exempt accommodation. That is accommodation provided for people with a variety of particular needs by a variety of organisations. We are looking at whether the regulation of the housing, the amount that is charged for it and the standard of accommodation provided are appropriate for those individuals in those circumstances.

We have two panels with us this morning. Before we come over to the first panel of witnesses, I will ask Committee members to put on record any interests they have that may be relevant to this inquiry. I am a vice-president of the Local Government Association.

Kate Hollern: I employ a councillor in my office.

Andrew Lewer: I am a vice-president of the LGA.

Mary Robinson: I employ a councillor in my staff team.

Q72 **Chair:** Right, over to our panel of witnesses, thank you very much for coming. Can I ask you each in turn to introduce yourself and say the organisation you are representing today?

Henry Meacock: Good morning. I am Henry Meacock and I am representing St Petrocs, which is a charity based in Cornwall.

David Fensome: I am the chief executive of Concept Housing Association. We are a not-for-profit registered provider in CIC.

Denise Hatton: I am Denise Hatton, CEO for the YMCA.

Q73 **Chair:** Thank you all very much for coming. There is one issue that has been raised with us by a number of organisations, but Bradford Council probably put it as well as anyone, when it said the whole system is a licence to print money and it is a problem. It has also been said to us by other organisations. Do you agree with that?

Henry Meacock: I can see that there is a regulatory gap for organisations like ours. We have been in existence for 36 years and have built ourselves up on prudent financial management. The values of our organisation are such that we are not interested in a licence to print money. We are interested in making sure that people who need it get the adequate support in the right accommodation.

Q74 **Chair:** You think some people treat it as one.

Henry Meacock: There is an opportunity. There is a clear regulatory gap.

Q75 **Chair:** An opportunity and exercising the opportunity are slightly



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different things. Are some organisations exercising their opportunity to print money?

Henry Meacock: Yes, I would say so.

David Fensome: Similar to Henry, we believe that there is a need for this type of accommodation in the market. We help to provide that need. We work closely with local authorities and with the private sector, as I believe you know. It needs a certain amount of funding to be able to provide the services. Some businesses do that efficiently and will make more money in providing a high quality of service. Others will not, but I would be so bold as to say I do not believe it is a licence to print money.

Q76 **Chair:** If I look at the accounts at Concept Housing, in the last two years your income from exempt accommodation has increased threefold.

David Fensome: Correct.

Chair: It looks like the printing press has been working quite hard.

David Fensome: You are correct: we have grown. We have grown because we believe that we supply a need in the marketplace. We have grown to satisfy that need. We control the standard of support and the quality of accommodation in a way that is appropriate. The rent for exempt accommodation is paid by way of housing benefit, as you know. A relevant proportion of that is retained by Concept to manage the service—those support, audit and inspection services—and the balance paid to various partners we work with to provide the direct operational services.

Q77 **Chair:** I will pick up two points there. Has the amount of accommodation that you provide increased threefold?

David Fensome: It will be somewhere in the region of that, yes. It is roughly a straight line in line with the revenue.

Q78 **Chair:** Can you explain a little more about the various partners who you pay some of this money towards?

David Fensome: We refer to them as providers, but they are commonly referred to as managing agents. Can I just make a definition? We have a service, mainly in Birmingham, where we work with managing agents. That is a non-commissioned service. We have a commissioned service in Bradford where we provide all of the direct support services ourselves. In Birmingham we work with providers, support providers or managing agents. They supply both the properties and the support in the properties, and they are responsible for the maintenance and the support services.

Q79 **Chair:** Essentially, you pay private companies for their properties.

David Fensome: Yes.

Q80 **Chair:** What about the support service? You are not supposed to pay for



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that out of the rent, are you?

David Fensome: No, housing benefit regulations do not allow for the support to be paid out of housing benefit. That is funded by a personal contribution by way of an eligible service charge by residents.

Q81 **Chair:** Denise, is your printing press working well?

Denise Hatton: There is a lot that I do agree with, and I desperately think that there is a need for exempt accommodation. One of the changes that we are seeing in our work is that where YMCAs have been commissioned for supported housing, and they lose that commission to providers that are undercutting the work, we continue the work. We find another way of funding it, and the exempt accommodation rate allows us to maintain the building. We own most of our buildings. It is a much higher need in relation to maintaining stock and working with people with very high complex needs.

I do not think it is a licence to print money, but there is a gap in the fact that there is no regulation for those that are not already regulated with another body, which have seen an opportunity and are just providing housing and not the support. They are claiming the exempt but they are not actually providing support. That is our concern.

Q82 **Chair:** You are not doing that as an organisation but you see others doing it.

Denise Hatton: Yes.

Q83 **Chair:** When we had councillors before us at a previous evidence session they said there should be greater control over rents and service charges. Would you agree with that, Denise?

Denise Hatton: There is control for many of us who work in supported housing. We are already regulated by a number of other bodies. It is the people who are not within that regulatory system that local authorities need more control over.

Q84 **Chair:** You are saying that there is an element of the sector where the money is paid but there is not really any regulation at all.

Denise Hatton: Absolutely.

David Fensome: There is regulation around the amount of rent that can be charged through housing benefit regulations. In lots of areas of our business—and rent setting is one—we use professional organisations that understand housing benefit regulations. We speak with the local authority about the rents that we intend to charge before claims are made. We would not be able to charge higher rents than other comparable organisations in the market. The local authority just would not allow it.

Q85 **Chair:** Is it true that local authorities up and down the country—if we get the information—are rejecting claims from organisations for the amount of rent they want to charge?



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David Fensome: I could not speak on behalf of the local authorities, but I believe that the local authorities we work with have gone on record and said that they turn down considerable amounts of housing benefit applications and providers that they wish to work with. I do not know the whole market in Birmingham, but, speaking to other RPs, we all charge very similar rates. If someone were to try to charge significantly outside of that, either under or over, I believe that would be rejected by the local authority.

Henry Meacock: We are not commissioned and we are not a registered provider. In terms of our relationship with the housing benefit office, when we do a rent review we provide not quite open book, but transparency of what makes up our rent charge in terms of the cost, and that is open to scrutiny. Each claim is assessed on its own merits, and we sometimes have a dialogue with a housing benefit office if the valuers come in and may have a slightly different view on the level of service charge that we should be charging versus the level of rent. We have an open dialogue, if you like.

Q86 **Chair:** There might be a temptation to move certain costs between the two, between the rent and the service charge.

Henry Meacock: We make sure to the best of our ability that we follow the housing benefit regulations in terms of what is core rent, what is an eligible service charge, and what is an ineligible service charge. Where you have a number of providers who know what rent levels are being charged in the marketplace, this is where the current housing benefit regulations might not be adequate. The housing benefit office will look for what is a reasonable alternative, so, if you have a number of providers all charging or knowing they charge similar rents, they could all increase the rents.

Q87 **Chair:** When you have this conversation with the housing benefit office, what do you have to explain to them to justify the rents you want to change?

Henry Meacock: We typically tend to change our rent levels on 1 April. As part of that process we will share a schedule of rents and costs with the housing benefit office for it to have a look at. It has no power to say yes or no. The power comes when one of our residents submits the next claim. We are transparent with the breakdown of the costs that go into our rent levels.

Q88 **Chair:** You are saying that they have no power over your rent levels, but they can reject a claim for benefit from your residents.

Henry Meacock: Correct. They cannot say, "Yes, those rent levels are fine. Go ahead". They will give us an indication whether they would like to challenge anything or have further information, but then each claim is assessed on its own merits.

Q89 **Chair:** You basically have to justify that the rent levels relate to the costs



you are incurring.

Henry Meacock: The housing management costs, yes, absolutely.

Q90 **Chair:** How does that work for an organisation that is making profit?

Henry Meacock: I cannot say, because our organisation does not make profit out of supported accommodation.

Q91 **Chair:** What about YMCA?

Denise Hatton: YMCA is non-profit in relation to housing.

Q92 **Chair:** It is costs relating to rents.

Denise Hatton: Yes. The only things that do sit in reserves, obviously, are just making sure that you have enough to maintain the assets. That is an ongoing cost and it is usually a third of your programme, but outside of that we do not hold any additional money.

Q93 **Chair:** How does that work for Concept?

David Fensome: We are also a not-for-profit organisation. We retain a surplus. We believe that is good business practice, but also our regulator insists on us having a surplus to call upon if need be.

Q94 **Chair:** Some of the organisations that you rent houses from do make a profit, do they not?

David Fensome: Yes.

Q95 **Chair:** Do you have to explain that and justify it to the housing benefit office?

David Fensome: Yes. There is a rent setting for each property, or each group of properties, that lays down very, very clearly what can be charged for which element of the service.

Q96 **Mary Robinson:** Henry, I was quite intrigued when you talked about "not quite an open book" in terms of transparency. Given the relationship and the importance of this sector, would anybody have any problems with having an entirely open book conversation with their local authority commissioners?

Henry Meacock: We would not have a problem with that. Obviously it would be subject to consistency of approach. As long as we understood what the approach was, we would not have a problem with sharing. The housing benefit office has the powers to ask for supporting evidence of the costs associated.

David Fensome: Yes. We have an open book relationship with both Birmingham Council and Bradford Council in lots of areas of our service. We do not hide anything from them. Yes, we absolutely support more transparency in the sector.



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Denise Hatton: We are the same. YMCAs have really strong relationships with their local authorities. It is their key partnership, so we would have no problem with that.

Mary Robinson: There is a strong call for more transparency.

Denise Hatton: Yes.

Q97 **Kate Hollern:** Each of you has said you follow the regulations, but are the regulations the right regulations? Henry said there was a gap. Can you just explain that?

Henry Meacock: In terms of the regulations that we follow, that would be the housing benefit regulations around what is eligible and what is ineligible in terms of costs. It is safe to say that the quality of our accommodation and the provision of services is not subject to any regulatory oversights other than HMO licences, but the HMO licence would not necessarily determine whether the accommodation was suitable for the provision, just whether it had certain health and safety measures.

David Fensome: We mainly work to three regulations: our CIC regulator—which I do not think is particularly relevant to this session—the housing benefit regulations, but, differently to Henry, we are regulated by the Regulator of Social Housing. We make no distinction between our social housing and our non-social housing. We work to exactly the same standards for both property inspection and support audit. Yes, those are the regulators that we work with. We support change. You will possibly ask us about that at the end.

Denise Hatton: The YMCA has a very diverse service delivery, so we are regulated by not just the Regulator for Social Housing, but the Care Quality Commission, Ofsted and the Charity Commission. We are already quite heavily regulated. We ensure that all of our accommodation is of the social regulator decent homes standard.

The gap is that you have before you some providers that are regulated in some form, or actually do have an open book, so as a small non-regulated provider you have someone who does a really quality service. There are providers out there that are printing money through housing, and it is a lack of regulation for those people who are not already regulated by an appropriate body. There are standards not being met and services not being delivered in relation to things like exempt accommodation. Landlords are claiming that rent through housing benefit and the regulator—"You are spending it on this"; "Yes"—but I am not sure they are providing the support.

Q98 **Kate Hollern:** What has been your experience in dealing with different councils? Is it an open book with councils? Are there restrictions? How could you improve the relationship with councils? In the main, councils think they should actually have more regulation.



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Henry Meacock: We only operate in Cornwall, so there is only one local authority that we deal with. Anecdotally, from speaking to other organisations that work across multiple local authority areas, there is an inconsistency of application of some of the housing benefit regulations. There is local decision-making and local processes, so there is sometimes an inconsistency with how the housing benefit regulations are applied. That is only an experience that I can give anecdotally; I do not have any direct experience of that.

David Fensome: I can only speak for the two local authorities that we deal with in the main. We are commissioned in Bradford. We work very, very closely with Bradford Council. The Committee has previously heard in sessions that the commissioning service has clearly laid down guidelines and the local authority has more powers. We also work very closely with Birmingham in non-commissioned. This is not only a question of powers, but also about budget. Government awarded Birmingham part of the five region pilot, which gave it some budget to audit and inspect. We worked very, very closely with Birmingham. That was very useful, and we would certainly support that being rolled out throughout the country.

Denise Hatton: A different side of how we can work well with local authorities is about proving the impact of the work that we are delivering. It is not just about counting the money; it is making sure that that money is actually making the change that they want to see in relation to the people we are supporting.

In Birmingham, we have recently had a piece of academic work done in relation to return on social investment of some of our supported housing, which we have been able to share with the local authority. That generally showed that taking a homeless young person from the street and supporting them into independent living had a return on investment of around £63,000 per year versus them continuing to be homeless. Yes, it is about proving impact, but it is a partnership with local authorities. We should not see it just as them commissioning a service. It is about conversation, working as partners and being very open.

Q99 **Kate Hollern:** The different experiences are interesting. Have you come across anything that you would say was best practice that could be shared nationally?

David Fensome: Can I answer this first, because we feel pretty strongly about this? The Government have recently proposed to lay down some real, clear definitions around the level of support that is required—this dreadful term of “more than minimal” care support or supervision. Birmingham Council recently quite clearly defined what it believed that meant. We were then able to interpret that and provide a 20-page document to our providers. The level of support in our audits has just gone up and up and up. We believe that that was very, very powerful, really clearly defining what was required in the market and then holding people to account to deliver it.



Denise Hatton: We have seen loads of models of best practice. There are so many YMCAs delivering in different ways, because different communities have different needs. Yes, there are some amazing models out there, but if we are looking at best practice in relation to standards—I am assuming that might be what you are asking—there are already regulations out there that are providing that through social housing, but it is the support aspect of the housing that needs the work.

Q100 **Ben Everitt:** David, let us follow up on what you are saying there. I would like to put some skin on the bone of that. Can you provide us with some examples of what measures you actually take on the ground to ensure that your residents receive the support that they need? The thing that we are interested in here is that we have this major concern that individuals are being housed in accommodation that is just unsuitable for them. An example of that could be women who are survivors of domestic abuse being put in mixed-use accommodation. What steps do you take to ensure that people are housed appropriately and how does that actually work on the ground?

David Fensome: We believe the example you gave there just would not happen in our accommodation. To answer the first part of your question, we directly employ a large team of both property inspectors and support auditors. We audit the support very, very regularly. What we are looking for is, “Who is housed where? Why are they being housed? What are their support needs?”

As part of the Birmingham piece of work that I mentioned before, we prescribe a minimum number of support needs that need to be identified, and that the support being delivered is appropriate both in terms of time and to address those support needs. We are regularly assessing whether those support needs have changed and changing the support accordingly. As we find that people are maybe not delivering the support to the right standard or often enough, we will work with them to train them, to help them recruit and to train their staff better, but ultimately we do on occasion need to remove people from our service. We consult very closely with residents. We must not kick the can down the road and allow that provider to just go and work with someone else, or that resident to be housed by someone else that is less appropriate than living in one of our settings.

Q101 **Ben Everitt:** I get the policy angle. That is the top-down bit. From a bottom-up perspective, what is the customer journey for an individual presenting with those particular support needs?

David Fensome: If an individual is referred into our service with particular support needs, that will be assessed to identify those support needs. A support plan will then be put together. We audit all of this. Then usually weekly sessions will be provided to offer support to the individual to work through whatever issue it is they have.



It is important to point out at this point that, as the Chair said, the housing benefit regulations do not allow for the cost of support to be provided by housing benefit. When you are asking an individual to pay for their own support, most local authorities prescribe that they want a minimum of one hour a week of support. That does not sound an awful lot, but, if you are asking anyone to pay more than £10 or £15 per week towards their support, we believe that is just unrealistic. Someone on very low income or housing benefit is not going to pay £30, £40 or £50 per week for their support, which was a figure that was mentioned at an earlier session. Where is the funding coming from for that?

Q102 **Ben Everitt:** Indeed, and that is the subject of a wider inquiry that we are working on. We recognise these individuals often have multiple and complex needs. Henry, would you describe the customer journey, from your perspective? Does that differ from what David has described?

Henry Meacock: About two-thirds of referrals into our residential services come from our non-residential services. We are picking people up, either in our resource centres or on outreach, and resettling them and finding accommodation options for them. Their initial journey starts with the housing interview, which might be either the second or third time they have engaged with our services. After a full needs assessment and a housing interview, if they are suitable for one of our houses, they would be placed in there at that point.

We have a ratio of about one housing support officer to every 10 residents. Typically our housing support officers are in the property nine to five, mornings and weekends. Every month or every other month they will conduct a support plan assessment, look at some of the goals of the resident and support them in achieving those goals.

As well as the support officers in the property, we also leverage volunteers into the service. We have an in-house counselling service and support with addiction needs or just confidence—that general type of thing. We are currently running an employment and training programme that, again, is engaging with our residents. The aim of that is to build their confidence, support them on their journey and then provide them a route out of homelessness for good.

Q103 **Ben Everitt:** Essentially, what you are saying is that the constant contact is your method of making sure that the accommodation that individual has is appropriate.

Henry Meacock: Yes, and as well as the actual frontline workers we have a structure of service managers and then an associate director of service, who will actually look at the work that the officers are doing with the residents. There is also that internal quality check, if you like.

Q104 **Ben Everitt:** What would you do if those touchpoints have realised that the accommodation is not suitable?

Henry Meacock: There are a number of reasons why that might happen. Initially we would either look to move somebody within our own provision



or, if we found it really incompatible, look to other housing agencies to make sure that we got the best fit for that individual.

Denise Hatton: At the YMCA, we have most recently been cascading out a piece of best practice. We use a trauma-informed environment to work with the people we support in our housing and that will be all ranges; it will not just be young people, but older people, particularly with complex needs or addiction. The trauma-informed approach means that everybody in the organisation that is delivering, from reception to people who clean the accommodation, will be trained in the trauma-informed approach.

There is then the usual supported housing framework of using different tools—we use developmental assets or an outcome star—to identify the needs for that particular individual. We then do a development plan. They have a key support worker and that is continuously reviewed, but it is all done within that trauma-informed approach.

Q105 **Ben Everitt:** Across the board, beyond this inquiry, this Committee has heard some absolutely scandalous examples of poor-quality social housing. It is not specific to exempt accommodation, which is obviously the subject of these particular sets of questions, but more generally, including exempt accommodation, what steps does each of you take to ensure that the accommodation is consistently up to scratch?

Denise Hatton: We have a set of standards that every project or service of YMCA has to adhere to. Those standards are at social housing regulator level, so all of our accommodation is kept at that level. The trauma-informed support is the other aspect. We are also developing quite a significant impact measurement, which is available to the public. It is on our website. We started with our housing projects. People can see how many people we work with and what the outcomes are, so that they can see that sometimes it does not work and sometimes we do get it wrong. We are being very open around what is not working, so people can see we are going to make change. We are becoming much more transparent.

Q106 **Ben Everitt:** David, how do you ensure the accommodation is up to the right quality?

David Fensome: I too have seen those horror stories. We believe that for every one of those there are dozens, if not hundreds, of success stories. We talked earlier about a licence to print money, and it is a very fair rate that is paid in housing benefit for this type of accommodation, but it does provide the surplus for organisations like ours to inspect and audit. We do that very, very regularly. We are 60 or so people. A lot of those are involved in inspection, audit and training-type services.

Q107 **Ben Everitt:** What happens when that gets triggered, when you have done your audit and the accommodation is not up to scratch?

David Fensome: If we are talking about the standard of the accommodation and not the support, we would identify issues, which are



fairly regularly resident-caused issues. A traditional housing association would maybe be responsible for the roof, the guttering, the boiler, the drains, that type of thing. In this type of accommodation we are responsible for absolutely everything. There are a lot of repairs and a lot of maintenance, both proactive and reactionary.

Nevertheless, the providers are getting the funding for that, so we would hold them to task. If it is a serious issue, we would ensure that they repair that issue very promptly within 24 to 48 hours. The local authority also follows that exact methodology. If it is less serious, we would give them a little more time to sort that out. We have clever systems in place, not least IT. Our property inspectors all have online reporting, photographs and videos of issues, and we absolutely make sure that, if we identify something, it is put right.

Q108 Ben Everitt: Henry, it is the same question to you, really. It is the understanding of the needs for support. Is the accommodation up to scratch to deliver it?

Henry Meacock: We are a relatively small organisation; we have 21 properties, so we have a lot more direct control, if you like. We do not subcontract out any of the support services or anything like that. We invest heavily in our staff and, as an organisation, we are built on certain values. We would expect our staff to come forward with any issues that were more than just, "This needs fixing or that needs fixing". We make sure that there is a variety of staff who are there to support all our residents. There is no single point of failure. Yes, we very much benefit from the staff experience and we invest in that.

Q109 Kate Hollern: If I can add to that, I am really keen to understand the support that residents are offered. How do you, as organisations, ensure that the staff you employ have the relevant skills to deal with what are very complex needs? You have just said that you have specialist training.

Henry Meacock: The staff who work in our houses will be generalist. We then have options for specialist support in terms of counselling and addiction. As I mentioned, we have the employment and training support, so it is very much driven by the individual, what their support needs are and what their ambitions are as to what elements of our service they can then tune into. Often it is down to the housing manager or the housing officer to be linking internally in our organisation to make sure that that resident is getting the support that they want and need.

Q110 Kate Hollern: How do you ensure your managers have the proper skills to oversee that?

Henry Meacock: We operate quite a flat pay structure. That means our staff can move between different services over time—and that is often the case—so they build up frontline outreach support experience, resettlement experience and supported accommodation experience. We make sure that we have rounded training opportunities. There are staff supervisions and oversight from a line management perspective as well.



Q111 **Chair:** How is this support paid for?

Henry Meacock: All our support is charitably funded. We took a decision as an organisation to move away from delivering commissioned services, because we believe we can support individuals better by being non-commissioned. It is all charitably funded, which is a constant work.

David Fensome: We believe it starts from the very top, in terms of both the senior managers we employ and the messages that are sent down about what is required. Our head of support and support audit manager will lay that out very clearly to the support providers. They will help them put together job descriptions and training programmes of the types of skills that people need to do the direct support work. That also forms part of the audit. Who is being employed? How are they being trained? Security checks and those types of things are very important. We audit, we train, we continually monitor and we take action where required.

Denise Hatton: We have a YMCA in Birmingham that actually provides different levels of training in housing support and management, not just to YMCAs, but to anyone else who wants to attend it. We ensure that, if we bring people in and they are not at the right level or qualification, we put them on a course to do that. Very significantly, we also ensure that they really understand the psychologically informed environment of what they need to be doing. Our support workers are often now social workers, and they are often youth workers, as well as providing the usual housing support into employment or training. That psychologically informed training—or trauma-informed, whatever way we want to say it—is what helps them deliver their job.

Q112 **Kate Hollern:** Each of you is more than happy that the staff you employ have the proper qualifications when they start the job and ongoing training. To me, the support element appears to be rather vague across the patch.

Henry Meacock: Can I just issue a correction? We do have an employment and training scheme that is currently funded by the European Social Fund, but that is coming to an end in March.

Q113 **Andrew Lewer:** The written evidence we have had from neighbourhood groups has talked about their sense of powerlessness in the face of what can be a rapid change to their local area. What is your view about the current planning rules as they relate to exempt accommodation?

David Fensome: There has been a lot written in the press and heard in committees about RPs being exempt from certain planning regulations. In a lot of cases we are, but we do not take advantage of that. We believe that, managed properly, there is a need for this accommodation in the marketplace. We work very closely with local communities. We are part of several local committees and groups. We attend their meetings, we speak with them and we take action when action is highlighted by our own staff, our own residents or the wider community.



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We employ a continually growing resident and community engagement team, whose sole purpose is to work closely with not only residents but also the wider communities. It must be terrible for some of these communities if it is not managed properly.

Q114 **Andrew Lewer:** It is good to hear that you are doing all of those things, but the issue is more about the potential for planning rules to be overlooked or not to be included in terms of the impact that this has. Although you may do all of that, do you have any concerns that the planning rules are not in place to allow for other people not to do that?

David Fensome: I do not know enough to comment too deeply on planning issues. The planning regulations are what they are. With any regulation, people will sometimes take advantage of loopholes. We do not do that. We believe that many of the RPs in the areas we work with do not do that. Notwithstanding those regulations or gaps in regulations, it can still be managed well. That is what we choose to do.

Q115 **Andrew Lewer:** Henry, it is the same question to you on these concerns that local residents often have about a change to their area and your view about how current planning rules cover or do not cover that.

Henry Meacock: I am not familiar with the detail of the planning regulations. It is not an area we tend to get involved in. As an organisation we plan for considered growth, so we think very carefully about where we will take on property. We tend to use existing property, either leased or purchased, to use as exempt accommodation.

Generally the planning rules sometimes impede social housing, and an increase in social housing would be very much welcomed. Cornwall is in the bottom quartile for the amount of social housing stock as a local authority. We certainly would like to see a lot more and, if there are any changes to regulation in planning that would facilitate that, we would welcome that.

Denise Hatton: The YMCA has delivered about five new projects over the last year. We have had no problems in delivering those and engaging with local communities in relation to planning permission to do that, because they are new projects.

In relation to how communities feel about that, putting in any more regulation could stop development. Nobody really wants difficult, complex young people in their area, so if there is too much regulation it could stop further supported accommodation being developed. There is quite enough regulation around that. It is about the ethos of the organisations working in those communities to ensure that they are engaging with the community, rather than changing any of the regulation.

Q116 **Andrew Lewer:** Developing on from that, you have just touched upon some of the neighbourhood groups' concerns. It is about antisocial behaviour and rubbish being dumped outside properties, et cetera. Just to pre-answer half the question, I know you will all do wonderful things



and make sure that does not happen in your own properties, et cetera, but how do you think those adverse effects can be avoided in this sector in general, to allay those types of concerns?

Denise Hatton: In general they are avoided. It is a small minority with very complex needs, which means that, no matter what we put in place, some of the people we serve will leave their rubbish outside their house. The most important thing is that we have processes in place to deal with it really effectively. The relationship with whoever is complaining, whether it is a residents' association or a particular neighbour, has to be built in person, and we do that very well, because you cannot stop it. We just have to make sure we deal with it when it does happen. Those instances should be few and far between, but it will happen.

Q117 **Andrew Lewer:** Henry, you cannot stop it, but what do you do about it?

Henry Meacock: It is absolutely about having good relationships with other local agencies like the police and ambulance service. We operate seven days a week, 365 days a year. When our supported accommodation officers are not on the premises, outside of hours we have an on-call rota. It is really important for us that our residents know we are there, because it could be other residents in one location flagging issues about something else. It is just making sure that we are there and available to go in, look at and deal with whatever situation.

David Fensome: Ironically, for the two areas touched upon—antisocial behaviour and fly-tipping—the local authorities do have quite extensive powers and they are quite visible. You are quite right: we can all talk about what we do, but an increased budget is needed for local authorities to be able to enforce what they find, because very often they find it and they just do not have the budget to enforce it. We do. You are quite right: we can talk about that all day, but the local authorities have the powers. They possibly just do not have the budget to see it through.

Q118 **Darren Henry:** I am interested in commenting more on these reforms to help the quality of exempt accommodation. I will ask each of you in turn if you have anything to comment on that, and perhaps think about any balance that needs to be struck between nationwide standards and local oversight.

Henry Meacock: We very much welcome some clarity over what care, support or supervision means in practice. If there was to be regulation over the type of entity that could provide exempt accommodation, we feel it would be beneficial to be light touch. I am not saying there should not be, but just be mindful of smaller, charitably funded organisations that might end up having to pay for the regulation as well. There could be some sort of light-touch register.

David Fensome: I am sorry to be repetitive, but from a national point of view, in line with the Government's proposals, we support a very clear definition of the minimum level of support required, the care, support and supervision, and the clear definition of the standard of accommodation



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required. We all work to the decent homes standard and it would be better to have something that is more tailored for our market.

Talking more locally, local authorities do know their own areas very, very well. As I have already touched upon, the budget and powers for local authorities to both monitor and appropriately enforce what they find would be useful. We have been part of the pilot in Birmingham and everybody would say that has been really successful. It gave them the budget to be able to monitor and enforce.

Q119 Darren Henry: Should we move the balance from national standards more towards local oversight?

David Fensome: We discussed this quite extensively on the train on the way down. We believe as an organisation that the regulation and standards should be set nationally, but local authorities should have considerably more budget and powers to monitor and enforce those regulations.

Denise Hatton: It is about balance. We would really welcome the setting of national standards around what support looks like for exempt accommodation, and the quality of the accommodation, but locally is probably the way to go. Many providers, including my colleagues at the table, are already providing and being regulated in different ways in relation to the accommodation and the support. It is the gap that we need to fill.

There could be a self-assessment locally with an inspection, so local authorities would have the resources to inspect those providers that are not regulated anywhere else against the national standard. It is a balance: a national standard, provider self-assessment and then a local inspection opportunity by local authorities.

Darren Henry: Thank you. That is helpful.

Q120 Chair: What sanction should there be if the inspection fails?

Denise Hatton: That they are ineligible to claim exempt rent.

Q121 Chair: Would that be a fair sanction?

Denise Hatton: Yes.

David Fensome: We would all support that if one does not deliver the service that you are paying for.

Chair: It seems a fairly good criterion. Thank you all very much for coming and giving information to the Committee today. That has been really helpful to us.

Examination of witnesses



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Witnesses: Matt Downie, Ashley Horsey, Sam Lister and Farah Nazeer.

Q122 **Chair:** Off we go with our second panel today. We have four witnesses. I am going to ask them each in turn to introduce themselves and say the organisation they are representing today.

Matt Downie: I am Matt Downie. I am the chief executive of Crisis.

Farah Nazeer: Good morning. I am the chief executive of Women's Aid Federation.

Chair: I had a very interesting visit recently to the Women's Aid refuge that they manage in my constituency. They are doing an excellent job there.

Ashley Horsey: I am Ashley Horsey. I am the chief executive of Commonweal Housing. We are an independent housing and social justice charity.

Sam Lister: I am Sam Lister. I am policy and practice officer at the Chartered Institute of Housing.

Q123 **Chair:** Thank you very much for joining us today. There has been a great deal of press coverage and we have had a lot of evidence about the concentration of exempt accommodation in Birmingham. It is not just related to Birmingham; it does not just exist in Birmingham, but it is so difficult to get much data about where exempt accommodation is and how much there is across the country. What is your take on the situation at present? How far can you give us information about the geographical spread?

Matt Downie: To cut to the chase, information about prevalence, particularly of the worst end of the exempt accommodation market, is not available. I have shocking examples of the exploitation of exempt accommodation rules from Cumbria to Croydon, not just in Birmingham. I know that the numbers are going up. When we received an FOI request back from the Government, the information was heavily caveated.

To a certain extent, we can be certain that thousands, and maybe tens of thousands, of people across the country are living under appalling and shocking living standards. The fact that neither we nor anybody else knows where these people are—particularly, in some local areas, the local authority does not know—is itself part of the problem.

Farah Nazeer: Beyond what Matt has outlined, we would describe a very similar context. From 2020, we have seen an increase in our members' concerns with regards to exempt accommodation across the country. It is particularly centred in the north, but it has spread down to the south. We see this through quite often having to pick up the pieces when survivors of domestic abuse have gone through exempt accommodation and have had difficulties.



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We are very aware that it is growing. We have seen an exponential increase. That is the reason we are here, because we are very concerned with regards to the service that is being provided to survivors by these outfits.

Ashley Horsey: As colleagues have already said, getting real information on the data is very difficult. The latest figures from Prospect, Crisis and others suggest that there are over 150,000 people in exempt accommodation across the whole country. Commonweal is very clear that this is a national issue. It is certainly not just focused on Birmingham, even though that is where a lot of the information has come from.

One of our concerns is that at the moment there is a real risk of proliferation while the loopholes that currently exist are not closed. Operators up and down the country are going to seek to make hay while the sun shines. Until such time as there are very clear changes in the rules and regulations, there will be a proliferation. We are starting to get some anecdotal evidence of that growing in the north-west, in parts of London and elsewhere in the country.

Q124 **Chair:** Why do we not know? We know what exempt accommodation is, and we can go and look at individual properties. Why do not we know what the totality is?

Ashley Horsey: That is a very good question. The Committee ought to ask that question of Government. Clearly, at the heart of it, there is a housing benefit claim being made. There might be data explicitly available from DWP, but it is very difficult for small organisations like us to try to get to the bottom of this.

Sam Lister: Crisis shared with us the FOI request that Matt talked about, and we tried to do some analysis on it. As Matt indicated, there are weaknesses in the data. It did allow us to draw out some very general stuff, but you cannot use it as a time series. People have been talking about the expansion of the sector. When you look at the time series data, you see gaps in it. This only started being recorded around 2016. When you look at each local authority's individual line, it is clear that some of them started recording later. You cannot make conclusions from that about what the increase has been. There definitely has been some increase, but you cannot extract that from the benefit data as it stands.

DWP has been making some changes to try to improve that. They put out a circular at the start of this financial year, S3/2022, which is providing some new burdens funding for better recording. When you look at the data, it is clear that it has suffered from inconsistent recording. If you go along the time series, you see whole chunks of accommodation, 300 or 400, coming in or going off from one month to the next. You cannot draw too many conclusions about that.

What you can say—and it does say this quite clearly—is that the majority of exempt accommodation stuff is from registered providers. The



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remainder, which is other social landlords, is much smaller. Between one-quarter and one-10th of the caseload is from other providers. That does not tell you anything about the quality; it just tells you who the landlords are.

Q125 **Chair:** How can we improve our knowledge of the numbers, then? What needs to be done to get better data?

Sam Lister: We need better and more consistent recording. We need clearer instructions from DWP about what needs to be recorded. As I say, there were some reforms made at the start of this year. The quality of the data has been improving over time, but that data from DWP is still benefit data. It does not tell you about the things you have said you are concerned about, like the quality of the support that is being provided.

It is basic information—do they qualify; do they get over that threshold; are they exempt or not exempt?—and other basic stuff about landlord type. The source you are going to use depends on what you want to look at. DLUHC is responsible for giving guidance to local authorities about quality of accommodation. That is going to be a different metric, unfortunately.

Q126 **Chair:** There are not any stats, then, about what local authorities are finding in terms of whether the standards are being met.

Sam Lister: No, I do not think so. What I would say—you implied this in one of your questions, Chair—is that we do know where they are, because there is a housing benefit claim there. That is being recorded, and the Housing Act allows benefit information and council tax information to be used for Housing Act enforcement purposes.

Q127 **Chair:** Matt, at the beginning you were saying that councils do not always know where the accommodation is. How can that be, if benefit claims have to be approved for that property?

Matt Downie: It is important to stand back from this a little bit. In theory, it should not be possible for exempt accommodation through housing benefit to pay for support costs. The idea is that it is meant to be paying for property costs. Yet this is effectively a loophole to house and in some form support people with support needs.

Although some local authorities have a handle on the housing benefit claims that are going through their offices—Bristol is good; we have talked about Birmingham and others—very few will have a handle on who is in exempt accommodation and what their support needs are. None of them has sufficient powers of inspection, regulation and, frankly, the ability to kick out dodgy providers. It is a deregulated market that is flowing through housing benefit, rather than what we used to have, when the support needs of residents were commissioned by the local authority.

There is no sense of control there. Quite often now, the local authority is not directly involved in the arrangements. There are people advertising



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their services directly to prisons or even advertising on Gumtree. Local authorities simply do not have the regime, the funding or the clarity on what they should be inspecting. There are some exceptions to that, but they are exceptions. We have a situation where people are in exempt accommodation specifically because of their support needs, because some of the rogue providers have understood that you can make a margin on that.

The local authorities are not particularly in control of those arrangements happening to start with or even aware that they are there. Some councils have used some of the pilot money to dig into the scale of the issue, but nowhere has a particularly assertive role in understanding which providers need to be removed from the system. Until we have a regime where the support needs are funded separately and local authorities can control where that money goes, it is not realistic to say that local authorities can properly regulate this market.

Chair: We are going to come on in a second to commissioned and registered providers, and then we are going to come on to support needs as well.

Ashley Horsey: Just picking up on this point, one of the things Commonweal put into our evidence to your Committee was a greater call for local authorities to have a much more significant role. There should be an expectation for local authorities to draw up an exempted accommodation or supported housing strategy so they understand what is going on in their area.

They should certainly have a far greater role in terms of registration or accreditation, or a gatekeeping and potentially then a regulatory role in—

Chair: We will come on to future reforms in the final question, and we will look at the pilots as well.

Q128 **Darren Henry:** Many of our submissions argued that exempt accommodation tended to be subject to greater oversight. We also received calls for exempt accommodation to be commissioned. I could do with having your view on that.

Ashley Horsey: As far as Commonweal Housing is concerned, as desirable as it may be for all support services and exempt accommodation to be commissioned, because it would hopefully bring a level of scrutiny, oversight and public transparency, it is not a realistic prospect. Non-commissioned services absolutely have a role to play.

The problem that has been exposed over recent years, going back to the very first report that Commonweal funded, *Exempt from Responsibility?* by Thea Raisbeck, is that there is a very real accountability deficit in this space. Part of the concern that came to my mind during your first panel session and, indeed, your first session earlier is that, while there are a number of regulators that touch on this space, none of them has specific



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and direct oversight of it. It falls very much at the margins of their areas of activity and involvement.

The Regulator of Social Housing probably has the greatest oversight over the greatest number of providers in this space. You heard previously in your last session that so much exempt accommodation falls outside the definition of social housing and, therefore, is not overseen to the same level of scrutiny that the RSH would apply elsewhere. We are certainly calling for the emerging consumer standards to make specific reference to exempt accommodation.

It would be quite sensible to have any exempt accommodation delivered by registered providers and registered social landlords to be defined as social housing. It is providing a social need. It is at a rent that is above social rent levels or market rent levels, but it is appropriate for the services that should be being provided.

Q129 Darren Henry: Matt, you were doing a lot of nodding there. Do you have something you would like to add on that?

Matt Downie: I agree with everything Ashley has just said. It is important to say that, from our perspective, the way to unlock this would be for the housing benefit regulations to set out clearly what good care, support and supervision is. The next most obvious question is, "Who is going to have the ability and the clout to properly regulate and inspect whether that is happening?" At the moment, it is falling between too many stools, particularly the Regulator of Social Housing, the Charity Commission and the CQC. We have seen that through the evaluation of the pilots.

In many ways, it does not matter. What matters is that somebody does it. We cannot have a number of providers falling outside of this system, where you can exploit it for profit and people are left without the care, support and supervision that they desperately need. In my view, it is akin to some of the social care and NHS scandals in which people are left in unregulated and really poor provision, the state is paying for it and people are making a profit out of it. Somebody has to regulate that.

Q130 Darren Henry: It was suggested in some of our submissions that some exempt accommodation tended to have greater oversight. In your view, that is just not true. Do you agree with that or not agree with that? Ashley, you seem to find that strange.

Ashley Horsey: I do find it strange. It is quite clear that there is not the level of scrutiny and oversight required in a vital part of the housing sector providing vital accommodation for many hundreds of thousands of people up and down the country at a lot of cost to the public purse. It is just not there.

Q131 Darren Henry: Farah or Sam, do you want to add anything on exempt accommodation being commissioned?



Sam Lister: I agree with what Ashley said. What matters is whether, in the end, the people who are providing the service are willing to engage with the regulator. That is where some of the problems arise, because it seems quite clear that registered provider status, for example, is being used as a shelter to get away from some of the regulations.

For example, in Birmingham—I know you have heard a lot about them already—the majority of their problematic cases are registered providers. That is not to say that all of their registered provider stuff is problematic, far from it, but they have problems with that. The vast majority of those cases would be HMOs, but for the fact that the landlord is a registered provider. They fall outside of HMO regulation. If the local authority does want to enforce, its powers are limited.

Most of the work that the pilots have been doing—it comes out from the evaluation report—has been through talking to people and getting them to engage. Most of the improvements they have made have come through that engagement and the use of multidisciplinary teams, with some people from benefits and some people from private sector housing, doing standards enforcement. If they fall outside of those regulations, the problem in the end is that the local authority has very little power in terms of what it can do.

Q132 **Darren Henry:** Could being registered impact the quality of the accommodation as well?

Sam Lister: Again, I would say that Birmingham is probably an outlier or an unusual case. Clearly, what is happening there is that organisations are setting up and registering themselves with the regulator. It looks like some of that is quite deliberate to get around the HMO standards.

There are various loopholes. Ashley covered the other one: if you are with the regulator and what you are providing is not social housing, you fall outside of the consumer standards. Exempt accommodation allows you to charge a market rent, which then takes you outside those consumer standards. If you have one unit that is social housing and all the rest are supported, for example, the consumer standards do not apply to that. The only powers the regulator has then are those under the economic viability standards.

Farah Nazeer: From our perspective, it is less about the mechanism and more about the lack of quality assurance within the context of the provision. Where you are looking at a particular client group—for example, vulnerable women and children who are escaping domestic abuse—we would probably argue that commissioned services are the best services. There are brackets around them when it comes to quality standards; there are national expectations; and they are regulated and accredited by bodies such as Women’s Aid. It is critical that, as far as possible, those services are commissioned. There are other vulnerable groups where that might not necessarily be the case, but for most



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vulnerable groups commissioned services definitely tend to return the best quality.

It goes back to the lack of oversight by any form of regulatory body. These outfits fall through the cracks, and they exploit the cracks in the system. As Ashley has said, they are managing to buy up stock very rapidly in the current market. Quite often that stock is in the most concerning areas when it comes to housing vulnerable people. We know that the providers we are most worried and most concerned about are very proudly announcing a 200% or 300% increase in stock over the past couple of years. We feel the situation is just getting more and more dire, as they are emboldened because the regulators are unable to do anything about it.

Q133 Mary Robinson: Matt, people are at the heart of all of this. How would you assess the experience of people who are living in exempt accommodation? How widespread is the problem of insufficient support being given to them?

Matt Downie: This is the heart of the matter. I spend a lot of time with our clients, who are frankly far too used to the reality of this. If I may, I will just read you a quick testimony from one of our clients about this. It is a very short one, where he is talking about exempt accommodation.

He says, "It was a large place managed by what could possibly be called gangsters, who would scare tenants at various times for various reasons, often for no reason. They were sometimes drunk and they were untrained for their roles. They were abusive, intimidating and preyed on the vulnerable. They would collect money with intimidating tactics, only letting people out on certain evenings, i.e. the days the tenants had received payments. There was theft, fighting, bullying, prostitution. There was a support worker who was young and would like to have helped but didn't have support from other colleagues and very little knowledge of his role. I was attacked by another tenant for getting a job. Other tenants were abused physically and mentally, but nothing was done. There were three baths and two showers for between 60 and 70 people".

I know of testimonies like that, and I have heard them directly up and down the country. To return to my very first answer to the Chair, we simply do not know the scale of this. I can tell you that it is definitely in the many thousands. The very fact these people have support needs has led them into accommodation where the housing benefit regulations allow for this situation. The fact that the support is not being required is also leaving people in very desperate situations.

That is about people who abuse the exempt accommodation arrangements, but it is also true to say that, even where support is provided, we should not be leaving people in these situations to become institutionalised over a long period of time and, particularly, be asked not to apply for jobs to get themselves out of that situation. It is pretty dire,



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I have to say. We need an investigation into the true scale of it, in my view.

Q134 **Mary Robinson:** My follow-up question was going to be about the measures that are needed to address the lack of support being provided, but what you have described is a much bigger and more important situation, which indicates levels of criminality and abuse within the system. How widespread is that?

Matt Downie: Anecdotally, it is certainly widespread. People know full well that, on top of the housing benefit that is flowing, they have to pay a support service charge. Two weeks ago, I sat with a group of clients. Two of them told me about threats from their landlords if they did not pay these additional support costs. Again, I cannot tell you the exact prevalence of it. People routinely describe the horrors of this; they have become used to living in these situations.

It is also worth saying that very often people do not have a tenancy. They are not protected by tenancy law. They are in properties on licence. If they voluntarily leave these situations, they know they are then likely to be seen as intentionally homeless by their council. It is a situation where people are trapped. Once we get to the solutions in relation to regulation and driving out the wrong providers, we also need to consider what local authorities need to do to rescue, frankly, the people who are in these situations. It is not just about exiting the providers. These are people with really high support needs.

Certainly, Women's Aid will have good case studies on this. We see cases where a survivor of domestic abuse is put in exempt accommodation, and then the perpetrator of that abuse is put in the same property. That is not a situation where you can just suddenly remove the accommodation. It is bigger and more serious than anyone is properly recognising, but the exact prevalence of it we simply do not know.

Q135 **Mary Robinson:** Ashley, is that how you would describe the experience of people living in exempt accommodation?

Ashley Horsey: As I said at the outset, Commonweal does not have a vested interest in this. We are not a direct provider; we do not provide services; we are not a landlord in this space, but that absolutely resonates with the commentary that has come back to us from our extensive communications in the sector.

If I may move on a little bit, I have great sympathy for you, your colleagues and the Chair of this Committee, because this is clearly a very complicated and very confusing issue. Having ploughed through the vast majority of the submissions that you got, it is very clear that there is a distinction. For lifetime homes/permanent accommodation, often in commissioned services for those with ongoing life conditions, be it a physical disability, a mental disability, a learning disability or whatever the case may be, there are some concerns. The regulator will have some



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concerns about the financial structure of some of the providers at that end of the spectrum, but, from Commonweal's perspective, that is not the bit that we want you and the Government to be focusing on.

It is the non-commissioned, transitional—it tends to be homelessness—end of the spectrum, where people are entering this accommodation for exactly the reasons Matt pointed at earlier: a lack of other options or a lack of available accommodation when they are leaving institutions or prisons or in another life crisis. They are being trapped in that accommodation, because it is a flawed business model. It is meant to be transitional housing. If you receive the support that you should be getting, you should be able to move on through that point of crisis into being able to deal with the stresses and strains that life holds as well as anybody else. In too many cases that is clearly not happening.

From Commonweal's perspective, we would give great encouragement to you, your colleagues and the Chair to try to draw the clear distinction between the lifetime homes/permanent accommodation end of the spectrum, which is not really the principal point of concern here, and the transitional, short-term and often lease-based provision at that end. Certainly, our assessment of that part of the spectrum is that there will be some rogues, some criminals and some very bad faith actors who do need to be clamped down on. At this moment in time, we do not necessarily have all the powers available to do that.

Right at the other end of that spectrum, there will be some very good issue-driven, motivated and skilled expert providers of support and services. You have perhaps heard from one or two of those this morning. There is then a very large middle, which is muddled, hapless and inept in terms of why they entered the space in the first place. Some are driven by a financial perspective; others are driven by good motivations but are perhaps not skilled or resourced enough to deliver the support that people need. That middle needs to be uplifted, skilled and supported to improve.

The rogues, the criminals and the bad faith actors need to be exited as quickly as possible, but, as I said earlier, we cannot afford to lose this accommodation overnight. There is no alternative. It has grown because of the lack of appropriate accommodation available elsewhere in the system.

Q136 **Mary Robinson:** Farah, you must have heard what Matt had to say there about women who are placed in these vulnerable situations. Does that echo what you see and experience? What measures need to be taken particularly to make changes in women's accommodation?

Farah Nazeer: Matt quoted one of our case studies, but that is one of many. The risky mix of residents in these types of accommodation is very concerning. You do see women being put in the same accommodation as perpetrators. You see women put in accommodation next to other residents who need varying types of support. They are not necessarily



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the mix of people you would want for women who have just escaped very harmful experiences and very abusive relationships, together with their children. Those women and children require very specific types of support—psychological support, emotional support, therapy, 24-hour help. They are very vulnerable.

There is also the issue of safety. There is a really big concern around how easy it is for perpetrators or people associated with perpetrators to find these women. These providers are invariably ill-equipped to understand the nature of domestic abuse and the nature of the support needed to ensure that a woman and her children are emotionally and physically safe. Then the risky mix of residents in any one of these places is worrying. That is often compounded by where these properties happen to be. We recognise that there are places where they are next to pubs, train stations or other places where there is antisocial behaviour or that are perceived as antisocial hotspots.

A woman who has just escaped a harmful relationship should really not be put in those kinds of places. These providers are actively marketing, as Matt said. They are going into prisons. They are coming to Women's Aid saying, "We have this accommodation. We are here to support women escaping abusive relationships. We are taking domestic abuse referrals". When we ask them the most basic questions—"What are your safeguarding policies; what qualifications do you have; what standards do you hold?"—we get emails back that say, "We just think that women need a home. We do not pretend to be domestic abuse specialists".

They are actively seeking referrals, and they are actively seeking those referrals next to people who are coming out of prison or are experiencing substance misuse. There is no discrimination here. They operate in an incredibly murky way. They are saying on one hand that they are trying to prevent homelessness, and on the other hand that they are organisations targeting domestic abuse or substance misuse. There are all kinds of murky practices even within the confines of one institution.

When you try to engage with them, it becomes very clear that there are no safeguarding policies; there is no governance there. There is absolutely no engagement in the rigours that exist to support women and children who are experiencing abuse and exiting domestic abuse—the MARACs, the referral pathways, the partnership boards. They have no engagement or interest in any of these mechanisms.

You have a swathe of providers exploiting the current context by bringing in these very vulnerable women and children but providing them absolutely no support. It is compounded by the fact that there is no incentive, as colleagues have said, to move them on. You have people being institutionalised, being trapped in these places. The absolute imperative is to keep them there, whereas the imperative of a refuge, a specialist domestic abuse entity, is to move those women on, to support them and to get them to a place where they are healed and ready to re-



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engage with society. That is a journey. It takes expertise and knowledge, none of which we have seen demonstrated in any exempt accommodation provider.

Q137 **Mary Robinson:** Are the points you have made a synopsis of the changes that are needed to address this?

Farah Nazeer: Absolutely, yes. There are clear learnings from the recent statutory duty on safe accommodation in the Domestic Abuse Act 2021. There is strong national guidance. We need strong national guidance for local authorities, but we also need accountability mechanisms. The way that guidance is being interpreted by local authorities across the country is very variable. You have a postcode lottery.

We want to take that learning and strengthen it, so that there is a very strong directive from DLUHC to ensure that, in particular, women and children who are escaping harmful situations like domestic abuse do not go into these forms of accommodation, and that the mix of residents is interrogated before they are anywhere close to it. Further, they need to be regulated; they need to be subject to Women's Aid standards or the national standards for housing and VAWG.

Mary Robinson: There is clearly a lot more to be said on this, but, in the interests of time, I will pass back to the Chair.

Q138 **Andrew Lewer:** I have a very small follow-up for Matt and Farah. You have both referenced—Matt has referenced it twice—people advertising in prisons. I do not understand that. How does that operate? What does that mean? I do not follow the process for that. It might be useful to put on the record how that occurs. I will try Matt first.

Matt Downie: It is worth saying that, in any local area, if you are advertising your services on Gumtree or anywhere else like that, you can make clear that you will take referrals from certain agencies. Where those agencies are making clear that they are looking for places to place people, it is quite easy to see that. It is also individuals being asked to find accommodation options for themselves, and it is individuals knowing some of the people who are involved in those agencies as well.

It is not that there is a big noticeboard in a prison. That is not how it works. It is to do with relationships. On the ground, people are quite desperate for accommodation. When they see those things, they will respond to them.

Farah Nazeer: For us, it is not dissimilar. It is through community boards and local relationships, but additionally we will get direct emails from these providers. We have 170 member services. They will receive emails from these providers saying, "We know you are having to refuse". We do have to refuse. On average, we have a 62% refusal rate, because of a lack of commissioned spaces, which goes back to my original point.



They are aware of this, so they will approach people within our member services saying, "We understand that you are having to refuse people because of lack of space and lack of capacity. We have these spaces". Our members are deeply experienced and expert in their field, so they will challenge them. They will say, "What is going on here? Let us have a meeting; let us talk about the kind of provision and wraparound support that you provide". Then we will get no response or they will respond by saying, "We do not purport to be experts".

They are doing that across the piece. They are targeting all sorts of women's groups and organisations, because the biggest issue that any woman will face when thinking about leaving an abusive relationship is where she goes to live next. These may present initially as a better option than staying in an abusive relationship. That is a right and proper decision to make, because, if you are going into accommodation that is advertising and purporting to support you, you do not assume that you could be next to anyone, that you will not get wraparound support, that there is no one there to support you and your children or that you may be put in a physical space that is unsafe. You do not expect that, but that is often the case.

We are talking about very vulnerable people. Particularly in the context of domestic abuse, it takes a woman on average seven years before she is willing, able and ready to branch out and leave that relationship. It takes a lot of courage. If we get it wrong at that one point, when they have experienced that kind of accommodation, we have lost them. They will quite often go back. Women will feel forced to go back to the perpetrator, because that feels like a safer option than what is being provided. This is funded by the state currently.

Q139 Andrew Lewer: My main question is about the five pilots and the independent evaluation that the Government did of these five pilot schemes in Bristol, Blackpool, Hull, Birmingham and Blackburn with Darwen. What lessons did you draw from the publication of that independent evaluation, Farah?

Farah Nazeer: Looking across the piece, taken together, it comes back to the recommendations that we have made. There needs to be stronger instruction from DLUHC to local authorities and stronger powers for local authorities to inspect these exempt providers. There need to be regulations around them, particularly when it comes to the provision of accommodation for women and children.

We feel that there needs to be a stop on local authorities providing enhanced housing benefit for these types of accommodation, if there are concerns raised by survivors, by those within them, by specialists in the field or by local authorities themselves. Nor should they be getting housing benefit, if they are not regulated or accredited to provide these services to vulnerable groups.



Ashley Horsey: Very simply, the pilot has demonstrated that, where local authorities are encouraged to be more proactive in this space, and more importantly are given the funding to be more proactive in this space, some positive movement can be achieved. That is at the heart of Commonweal's suggestions to you and to Government. Local authorities should be far more proactive when it comes to gatekeeping, assessing, accrediting or regulating—pick any of those words as you so choose—the access to this high level of public subsidy. There is an ongoing monitoring role for them as well. Give local authorities the encouragement to do it and the funding to enable that. That is the key lesson for me.

Sam Lister: Yes, I would agree with that. I would go back to the point Ashley made earlier. There is lots of provision in the middle. The evaluation report gave the same sort of typology that Ashley talked about: the ideal; those of concern, so the rogue ones; and the misinformed, which is people who are not motivated to cause abuse, but who may just be incompetent and do not know what all the regulations are. We need some way to raise everybody's game as well as clamping down on those that are clearly abusing the system.

It was clear from the evaluation report that most of the successes they have had come not through laying the law down but through talking to people, encouraging them, getting them to improve and providing them with the means to do that. In the end, if there are people who do not want to co-operate because they have this model and they clearly want to abuse the system, the powers are not strong enough for local authorities to intervene. There need to be some changes in how the powers are structured to get rid of the clear gaps. Quite clearly, those who are operating in bad faith are looking at where these gaps are and trying to drive straight down the middle of them.

Matt Downie: The evaluation has effectively revealed the limits of what good voluntary action at local level can achieve, on two levels. First, local authorities that are really hot on this issue can try to drive quality standards, but it does not drive out people from the market. Birmingham will tell you that over and over again. The more they have understood this, the more the market has grown. Both things have happened.

Secondly, it is impossible to divorce this from the context in which it is happening. When exempt accommodation was brought in, in 1995-96, in England around 57,000 additional units of social rent were brought in. Last year, it was more like 6,000 or 7,000. The context for it is the availability of housing and rent levels in the normal market.

You cannot divorce solutions to the exempt accommodation problem from that issue. Perhaps we will come on to that. What do the Government think should be the answer to this, over and above just chasing some bad providers out of the market?

Q140 **Andrew Lewer:** This will give you your chance, Farah. Just as a final thought, how do you see exempt accommodation fitting in within the



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wider housing sector? What are your concluding and final thoughts about what you really want to see change? What measures are needed to improve exempt accommodation?

Farah Nazeer: First, I just wanted to pick up on some of the comments that have been made, which I do agree with. However, we know from the statutory duty on housing for safe accommodation, the refuge duty, that it is a postcode lottery. Some local authorities are very on it and absolutely understand it, and others simply do not and do not engage with it nearly as much as they need to. Simply devolving it down to local authorities without any accountability mechanism within DLUHC is a problem. We have seen that it is a problem even with a statutory duty. That would worry me considerably.

Secondly, it is one thing to talk to providers. That is right and proper, and we try to do that. We engage with those who are able to engage with us, but that is not really our concern. Our concern is those who refuse to engage with us and act, as Matt has broadly said, in very nefarious ways. Women's Aid has had legal challenge for being here. The same happens to our members when we try to call out bad practice or the absence of safeguarding regulations within the context of these providers. Simple engagement is not going to cut it here when it comes to protecting vulnerable women and children.

When it comes to the broader question, as I have said, it is about a very specific derivative from DLUHC to local authorities. It is about reducing access to the enhanced benefit for providers that purport to provide for vulnerable groups without any of the regulation or accreditation that should be going with that, which, indeed, does go with that for the vast majority of other commissioned support. Those are the two things, from my perspective, that need to be put in place.

Ashley Horsey: For the sake of time, I would agree with everything my colleagues have said. I would just offer a clarification. While I have talked about a greater role for local authorities, as Farah said, that is within the basis of a national framework and expectation about what is supposed to be happening. Certainly, you have already heard about the issues around the definition of "more than minimal" care, support and supervision. That clearly needs to be addressed going forward.

There has been lots of talk about money being leaked out and excess profiteering or the opportunity for that to exist. The point that I want to make sure is heard loud and clear is that the money in the system is the right sort of money at this moment in time, because the services and the support that should be provided are vitally needed. It is proven to succeed when it is delivered well and delivered properly.

I would not want any messages to come out to say that this is an area where public money can be slashed in any great way. This is about making sure it is delivered appropriately and properly to provide vital accommodation and services that are needed by hundreds of thousands



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of vulnerable people. This was set up to support vulnerable people. That is the reason why people are able to access this and why landlords and providers are able to access additional services. At the moment, we have an underregulated system that does not ensure that that accommodation and service is being provided in the way it should be.

Q141 **Andrew Lewer:** Is it underregulated or incorrectly and confusingly regulated?

Ashley Horsey: That is a very good question.

Farah Nazeer: It is both.

Ashley Horsey: My colleague on the right says it is both. There is certainly an element of that. There are clearly elements in the system that could perhaps be enhanced further, whether that is on simple accommodation standards or HMO regulations. As Farah has already said, there are regulations specifically purporting and relating to individual client groups. As we have touched on earlier, it does not fall between two stools; it falls between 30 stools. Nobody is really looking at it. That has allowed bad faith actors to exploit that loophole.

Sam Lister: There has been quite a lot of talk about the “more than minimal” decision. Our conclusion is that you need a very simple in-out scheme, which would be easy to assess, where there is a condition that you need to be part of some sort of approved scheme to get this. Taking a housing analogy, letting agents have approved property redress schemes. If you make that a benefit requirement, you do not have all the ambiguity about what level it is at. The decision on whether they get exempt accommodation at all or not is outside of that. It is decided by the people who decide what is the appropriate quality for property conditions, care or support.

Ideally, you would set it up in a way so it can be graded. You could deal with some of the things that Ashley was talking about. It might be that you add that, in order to qualify, you need to get a certain grade. In that way, over time you could gradually increase the level of quality for those that are not operating in bad faith but do not have the knowledge or skills to deal with things properly at the moment.

Matt Downie: I have a fairly simplistic view on this. In order for people with support needs to be properly supported, the support costs need to be separate. If they are separate and local authorities control those budgets, they get to control who is providing the support. The regulation therefore would be, “Is it good enough?” The confusion comes from the fact that we are seeing housing benefit which is not meant to pay for support somehow doing it for some people and somehow not for others.

The good providers do not have anything to fear from this. In fact, a lot of the good providers talk about the old regime, where support funding was separate. They look at those times in a rose-tinted way. That is the



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way to go. I would really like to know from Government how they think support should be funded. If it is not through housing benefit, what is the funding stream?

It is also time to sit back from this a bit. If we had a housing-led system, where people's housing was delivered as quickly as possible and they were not institutionalised year on year—the simple question is, “How much support is required to keep that mainstream housing successful?”—we will move into the territory where we can talk about the outcomes for people, not just whether their living conditions are awful but what they are achieving and how we are moving vulnerable people through to fulfilled lives. That should be the aim here, rather than simply managing an exploited system.

Chair: Thank you all very much indeed for coming today. You have given the Committee an awful lot of things to think about. These are serious matters. Some of the horrible conditions that very vulnerable people are living in are quite appalling. I am sure the Committee will want to reflect on what the appropriate measures are to make sure that situation does not continue in the future. Thank you all very much for coming today.