



Public Accounts Committee

Oral evidence: Supported housing, HC 1330

Wednesday 21 June 2023

Ordered by the House of Commons to be published on 21 June 2023.

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Members present: Dame Meg Hillier (Chair); Olivia Blake; Sir Geoffrey Clifton-Brown; Mr Mark Francois; Mr Louie French; Anne Marie Morris.

Rebecca Sheeran, Executive Director, National Audit Office; Helen Hodgson, Director, National Audit Office; Marisa Chambers, National Audit Office; and Marius Gallaher, Alternate Treasury Officer of Accounts, were in attendance.

Questions 1-86

Witnesses

I: Sarah Healey, Permanent Secretary, Department for Levelling Up, Housing and Communities; Emran Mian, Director General for Regeneration, Department for Levelling Up, Housing and Communities; Peter Schofield CB, Permanent Secretary, Department for Work and Pensions; and Vikki Knight, Director for Housing, Fraud and Error Policy, Department for Work and Pensions.

Written evidence from witnesses:

- [Add names of witnesses and hyperlink to submissions]



Report by the Comptroller and Auditor General Investigation into supported housing (HC 1318)

Examination of witnesses

Witnesses: Sarah Healey, Emran Mian, Peter Schofield and Vikki Knight.

Q1 Chair: Welcome to the Public Accounts Committee on Wednesday 21 June 2023. Today we are looking at supported housing, which is accommodation that is provided alongside support or supervision or care for people with specific needs so that they can live as independently as possible in the community. That can include older people, people with a learning disability or people who have experienced homelessness or have other short-term problems that need short-term help. The Committee has a long-standing interest in housing. We have looked at affordable housing, but supported housing is an area we have not looked into recently.

I thank the National Audit Office for its investigations. It is not a value for money study that we are basing our work on today, but an investigation partly as a result of many colleagues across Parliament raising concerns about supported housing in their areas. There are a lot of complexities—I will not go into them because the National Audit Office Report lays those out—about how it is funded, which is why we have witnesses from two Departments today. From the Department for Levelling Up, Housing and Communities I welcome Sarah Healey, the permanent secretary, and Emran Mian, director general for regeneration. Am I right in thinking your responsibilities have expanded, Mr Mian?

Emran Mian: Regeneration includes housing and planning and supported housing.

Chair: So it is quite a wide remit. We also have Peter Schofield, permanent secretary at the Department for Work and Pensions. A lot of this is funded by housing benefit, and that interaction is important in how it works. Vikki Knight is a first-time witness at the Committee and is the director for housing fraud and error policy. A warm welcome to you. We have one declaration of interest from Mr French.

Mr French: For transparency purposes I refer to my entry in the Register of Members' Financial Interests and a donation to my local association from an individual who is a director of a housing company.

Chair: Thank you, Mr French. Before we go into the main session, Mr Francois has a quick question for an update on some legislation.

Q2 Mr Francois: Thank you, Dame Meg. Ms Healey, my colleague Bob Blackman has put a private Member's Bill through Parliament—the Supported Housing (Regulatory Oversight) Bill. He steered that successfully through the Commons with help from peers. Its Third Reading in the House of Lords was on 16 June, so very recently. Do you have an



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update on Royal Assent? Can you explain in simple terms what difference that Bill will make once it is on the statute book?

Sarah Healey: Of course. I should say that the Department has been working closely with Bob Blackman to support the work that he has done. We are extremely grateful for his championing of supported housing and the changes, which we all recognise are important reforms to a sector that has not been working as well as it might in recent times. We are very grateful for that. I am afraid I do not have a specific update on Royal Assent. We are in others' hands when it comes to next steps on the legislative process. We are obviously very keen to see it move to Royal Assent, so that we can move into the next phase of delivery. On your question—

Q3 **Mr Francois:** But probably by the time the House rises for the summer recess on 20 July—yes?

Sarah Healey: As I said—in others' hands.

In terms of the difference that the Bill is likely to make, clearly it makes one very significant change in enabling the setting of standards and licensing for supported housing. I think that setting out those national standards will be a really critical next step. We will be able to be clear what quality looks like and the support that should be offered in housing for a very broad range of people with different needs. We are extremely keen that we spend the right amount of time consulting on those properly to make sure that they are good standards that reflect the full range and complexity of the needs that are met in supported housing.

It is not just the standards and the licensing regime, both of which are really essential to this. I think it is also other aspects of the regime such as the advisory panel on supported housing, which will hold us to account and also give us crucial advice, guidance and information. It also requires us to report, so that we feel fully accountable for making progress and indeed return to the question of planning and look at the performance of the licensing regime.

One of the aspects of supported housing that I think we all acknowledge—the NAO Report mentions this—has not been where we would like it to be is data. We are improving the snapshot of data available on supported housing with our own research at the moment, but another important reform that the Bill makes is introducing a duty on local authorities to do better strategic planning—to better understand what is available in local areas, better understand future demand and look at any mismatch between supply and demand in their areas.

Mr Francois: Thank you, that is very clear. We are an all-party Committee, but I think there is a consensus that Bob has done a really good job on this and it is good to hear that he has been working so closely with your officials on it.

Q4 **Sir Geoffrey Clifton-Brown:** Good morning, permanent secretary. Obviously, it is slightly difficult to anticipate a piece of legislation that is



not yet on the statute book, but let us assume that it is going to be because it has got as far in the legislative process as it has. Some local authorities are already struggling with resources in this whole area. The Bill is likely to impose new duties on local authorities, particularly on inspections and standards. Is your Department currently looking at whether you need to provide local authorities with extra resources to do this extra work under the extra burdens regime?

Sarah Healey: Yes. A new regulatory regime involving extra powers and responsibilities for local authorities always triggers a new burdens assessment. We need to do that alongside and set out how we are going to fund those new powers and responsibilities. We will be doing that in the normal way.

Sir Geoffrey Clifton-Brown: Thank you.

Chair: Before we start on the main session, I want to thank the many people who have submitted evidence, which has been very useful. This is an area of work that Parliament will continue to look at, given the challenges ahead. I would now like to move into the main session and ask Mr Mark Francois MP to kick off.

Q5 **Mr Francois:** Thank you, Dame Meg. As the NAO Report, which is very good, points out, there are quite a lot of different types of supported housing. It is a very broad definition—everything from what you might call traditional sheltered housing for senior citizens right the way through to highly specialised housing for individuals who, for various reasons, need a great deal of support. It is a very large bailiwick in that sense. What also makes it a complex environment is that you have got a number of different bodies that are responsible for regulating different parts of it. Is that regulatory system too complex, and are there any gaps still within it?

Sarah Healey: I accept that there are a lot of bodies responsible, and the NAO Report sets that out. A regulatory system should only ever be as complex as it needs to be to reflect what it is regulating. As you say, the supported housing landscape is a very complex one. We need to make sure that any regulator who has a responsibility here has the expertise it needs to be able to fulfil those responsibilities.

We are making reforms on the regulation of social housing, which we have legislated on in this Session. Those will help to improve the quality of the housing and clarify the responsibilities of the regulator there, while also looking at the private rented sector and ensuring that standards are maintained. Both those regulatory frameworks are focused on housing, and I know there has been some discussion about whether we could expand the remit of those regulations, rather than having a separate licensing system, in order to simplify the landscape, but our Minister's view has been that they do not have the expertise to be able to assess support and the quality of support. There is also the Care Quality Commission, but that is at a different end of the spectrum from what is



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normally provided within supported housing, so again that would be an extra reach for them.

Our view is that, even if the local system adds an extra dimension or system, it is the best way of doing this, because local authorities will be closer to the types of supported housing that are provided. As you say, there is such variation, and it needs to meet such a range of demand that having regulation close to the local level and what is locally available and needed seems a sensible way of ensuring it can meet that need and assess it properly.

Q6 Mr Francois: Okay. Can I give you a specific example of where there is perhaps a regulatory failure, so that you could advise the Committee on what, if anything, can be done about it? Let's say there is a sheltered housing unit with senior citizens in it. If they require individual care, that bit of it will be subject to inspection and regulation by the Care Quality Commission. What if you have a sheltered housing unit, block or property that is not a traditional local authority one but is privately run? Maybe McCarthy Stone has built a nice retirement home and then handed it on to a company to manage. Who regulates that property?

Sarah Healey: Regulates what aspect of it? The crucial thing here is to be distinct about what is being regulated.

Q7 Mr Francois: Let me give you an example to flesh out my question, and then hopefully you can understand why I am raising it. There is a company that operates in my constituency called FirstPort. It runs a number of private sector homes. One is King George's Court in Rayleigh, and another is Oak Lodge in Hockley, but it has several others. In King George's Court in Rayleigh, it took the company nearly eight months to fix a broken lift after a whole litany of disasters, to the point where one elderly resident who unfortunately was taken seriously ill had to be manhandled or carried down the stairs by ambulance paramedics, because there was not a lift to put them in. That is just one example of how badly this place was run.

At Oak Lodge in Hockley, the back fence is falling down, and FirstPort has upped people's energy charges and will not give them a breakdown of why it has done that. When, as an MP, you try to step in and meet the chief exec, they are always too busy to meet you. Frankly, I would not buy a second-hand car from FirstPort. Who is there to protect the residents of private sector homes like that from a really appalling company? Which regulator do they go to?

Sarah Healey: I am going to ask Mr Mian to come in on this.

Mr Francois: You understand the tenor of the question.

Sarah Healey: I totally understand the point. I just wanted to be clear whether you were asking about the regulation of the support that is offered in that environment or the care or the quality of the housing, because that is the distinction.

Mr Francois: The latter.



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Chair: The fact that you have just listed all those things that need regulating differently rather highlights why we are here today.

Mr Francois: What can you tell me?

Emran Mian: In terms of the quality of the accommodation, which I take is the issue in the example you have given, if that accommodation was in the social housing sector, it would have to meet the decent homes standard. That is the current requirement. There is enforcement around that through the regulator, and individual tenants can also bring cases to the ombudsman. That is not currently the case in the private rented sector, but it is our intention through reform of the private rented sector to bring the decent homes standard into the private rented sector as well, subject to consultation on the decent homes standard being suitable for that.

The additional thing that comes from the Supported Housing (Regulatory Oversight) Bill, when that becomes law, is that the local authority will have the choice to run a licensing scheme for units that are in supported housing. The local authority will therefore be able to check whether the units under any provider—including the provider that you gave as an example—are meeting the licensing conditions, and if they are not meeting the licensing conditions, they will not qualify, if you like, as supported housing.

Q8 **Mr Francois:** You have two interconnected things here. Sorry to hammer the nail slightly, but it is important. You have the physical condition of the building—you are talking about the decent homes standard—and then the quality of how it is actually run. It is not just a bricks-and-mortar issue; it is partly an attitudinal issue, really. Having been to these places, and having spoken to the residents—I went to Oak Lodge recently myself, at the invitation of the residents—they are not happy with how they are treated. And they pay a lot of money for the privilege, by the way.

Is there just a bit more that you can say about how the actual management of these places will be properly looked after in the future? Could you expand on that a little bit, please?

Emran Mian: Again, on the current position, I expect that the people in the property that you described are having to rely on their contractual rights—because they all have contractual rights to certain services as private tenants—and on existing regulation of the private rented sector, which we do not think is adequate to regulate for the quality issues that we see across the private rented sector.

We very much recognise that the challenges that they are facing at the moment are challenges in a regulatory regime that needs improvement. In the future, as a consequence of both our reforms to the private rented sector and of the changes that Bob Blackman's private Member's Bill brings into the supported housing sector, we will actually have improved our regulation on both fronts.



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Those properties will be subject to a higher level of regulation, simply as private rented properties, and it could easily be that there is a mix of tenants who are private rented tenants and those who are in what is correctly defined as supported housing. Then, as a consequence of the Bill, those units that are counted as supported housing will have to have gone through a licensing test by the local authority. Our view is that local authorities are the ones that are best placed to be able to make that assessment locally.

Sarah Healey: I should also say that one of the aspects that we will be consulting on, regarding the standards, is a complaints process so that people who are resident in supported housing can make a complaint—that local authorities can establish a complaints system so that they are able to raise issues.

Q9 **Mr Francois:** Even if it is private supported housing? That is my point.

Sarah Healey: Well, if it is under the licensing regime, then yes.

Q10 **Mr Francois:** Thank you. I won't detain the Committee any longer. As you will have guessed, there is a lot of—perhaps I could write to you separately about some of this?

Sarah Healey: I am happy if you want to write about the specifics.

Mr Francois: But I just want people to know how appalling FirstPort actually is. Anyway, thank you, Dame Meg.

Chair: I think that one of the challenges is that, as we have discussed, there is such a range of supported housing, but even when people are paying a lot of money, the standards are sometimes not measuring up, so it is quite a complex area to license. We will come on to some of that at a later point.

Q11 **Anne Marie Morris:** Ms Healey, in a way, given everything that Mr Francois has said—explaining the complexity of the regulation and the fact that we are looking at very different types of individuals with very different types of needs—much of what needs to be done crosses several Government Departments. When the supported housing programme board was set up, what was the intention, in terms of any role that it might have in trying to find a way of co-ordinating the different Departments and co-ordinating the approach, if you like, to those different issues?

Whether that is about the property or the nature of the support that is provided—then we have the health issues—what role can it have to try to smooth the edges and ensure that we get that co-ordination? For anybody living in one of these properties, what they want is a combined package. They do not want different Departments and different problems having to be solved in different ways by different people.

Sarah Healey: I absolutely agree. Obviously, the NAO Report references the complexity of it. That is unfortunately a bit inevitable when you are dealing with the situation of a sector that responds to the very complex needs that people have. It is appropriate that we do not oversimplify the



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way in which we address those needs for the sake of a bureaucratic simplicity that does not necessarily match what people actually need—being responsive to the person as a whole. It is right that the Departments that have an interest are all represented in trying to address the issues in the sector.

Q12 Anne Marie Morris: But what do they do? It is good that they are there, but what do they do that will make a tangible difference on the ground?

Sarah Healey: The supported housing programme board, which you asked about specifically, includes representation from Peter's Department, my Department and the Department of Health. It meets monthly. Part of what it has been doing is precisely that: overseeing the reforms that are under way, ensuring that they will work, and testing them from the perspective of each of the Departments on how the implementation will be done.

The board also monitors intelligence about the current situation and about understanding what is happening in supported housing. It is a whole joint programme of work. Vikki might want to say a little more about what the board discusses and does, because she attends it regularly. It is entirely intended to ensure that there is a collective, joint programme of activity that is leading the many reforms under way in this area.

There is not just the Bill, of course. The Bill is critical, but it is building on a whole set of work that has been done previously on supported housing, including the supported housing improvement programme and the pilots we ran to get better information about what needed to change to improve the quality of supported housing. That is what the board does: it owns that programme of work and drives it forward.

Peter Schofield: I will build on that. It is really important to get across to the Committee the importance that we see as permanent secretaries of working together across Departments to make a reality of this. As the Report correctly sets out, this requires action on a number of fronts. The programme board that Sarah was describing is jointly chaired by directors from three Departments—Vikki is our lead from DWP.

We absolutely know from a DWP perspective that we have to make sure that as we think about the future of housing benefit regulations, they dovetail into the wider reforms that Sarah was describing. When the Bob Blackman Bill gets Royal Assent, as part of the engagement with stakeholders—which will be extensive and will be done very collaboratively among all the Departments—there will be an opportunity to think about the implications and how we work together to get the right regulations in place to achieve the objectives that everyone wants to achieve.

Vikki, do you want to say a bit about some of the ideas and issues that are being discussed?

Vikki Knight: A couple of things are worth saying. The NAO Report sets out clearly the roles and responsibilities of the board. For example, as we have said, we are very focused on the Bob Blackman Bill at the moment,

particularly things like the unintended consequences that the Report covers, and on how we make sure that we listen to the sector and hear from consultation, while including residents in that consultation. The board has a clear programme of work ahead of it—the NAO saw some of the detail behind that—and is very focused on quality, which is set out in its terms of reference.

Q13 Anne Marie Morris: A lot of work is going on collecting data from local authorities. How will that be used? The local authority information goes up to you on the board, but that needs to be used in a way that makes sense and that improves the situation in the local authority, feeding back down to it.

Sarah Healey: Do you want me to say a little bit about that? It is probably a bit more for us than Vikki. As I have already said, the data landscape has not been where it should be. We do not have the information that we ought to have. The last snapshot was in 2016. As a result, we cannot say an enormous amount about the mismatch that we think probably exists between supply and demand, or about what provision is available where, and therefore it is very hard for us to identify gaps and issues.

The snapshot is being redone now—as you say, that information will come to us—and it will be looked at as part of all our policy work. It will enable us to understand what kinds of provision standards need to address and the kinds of issues that we might ask the advisory panel to look at, such as whether we want them to look at where there might be particular gaps in provision. Also, the Bill, when it is in force, will build in the requirement for local authorities to do a strategic plan for the future.

The snapshot is not the be-all and end-all, so we will be able to return to and update the data, to see whether our reforms are changing things. That really matters, because it will affect things such as the target for supported housing in the affordable homes programme of 10%, which we are monitoring delivery of. It may be that we need to look at whether that is at the right level and whether it is delivering the right kind of supported housing. That is the sort of thing we will use that data for.

Peter Schofield: It is worth adding—this is joint work—that we are doing more work on our understanding of housing benefit claims within that. That will give us more data to feed into the work that Sarah has described. At the moment we collect data on housing benefit claims from local authorities every year. Although since 2014 we have asked local authorities to set out whether those claims relate to specified accommodation, which particularly relates to the topics we are talking about today, we discovered from the snapshot research that was done in 2015-16 that that was not being applied consistently.

We have been doing a lot of work with local authorities. Currently, we are in a process where all new claimants for housing benefit need to fill in that level of detail. From next year, we will also have that for the stock, because of some work we are doing with all local authorities. There will be



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more data on housing benefit claims, which will feed into all the work that Sarah has described.

Q14 Anne Marie Morris: What I am hearing from both Mr Schofield and Ms Healey is that you have identified a number of the problems and you are working on driving through particular bits of regulation—secondary legislation. What I am not hearing is what the vision is, what good looks like at the end of the day, and whether you have a timeframe for delivering that vision of what supported housing should look like in this country.

Sarah Healey: What good looks like is standards that meet the national standards we are going to set out, more consistently provided; more adequate supply meeting demand along a complex array of vulnerable people's needs; a better plan in local areas for how those needs are going to be met in future; and clarity for residents—very much along the lines that Mr Francois set out—about where they go if the standard of support they are receiving is not adequate or the standard of accommodation they are experiencing is not adequate.

Q15 Anne Marie Morris: And what is the timeline for reaching that?

Sarah Healey: I am not going to put a specific time on when we will reach that vision of exactly how we want this to work. One of the challenges here is that we are introducing a whole new system in a very complex sector that we do not fully understand because of the gaps in the data. What we do not want to do is rush into implementing change that might end up having unintended consequences for the level and scope of provision.

We want to consult very carefully about the national standards. We want to make sure that we have listened to the voices of residents and the users of supported housing, but also of providers, local authorities and others, because we want to make sure that those standards do not unnecessarily drive out good-quality provision. We want to consult on how the licensing regimes are implemented and what the process involves so that it is not overly burdensome but still meets those requirements.

We talked earlier about not being able to say precisely when Royal Assent is coming, but hopefully it will be soon. As soon as that happens, we will start the process of consulting on those issues and the implementation of those standards and licensing regimes. It is not going to be fast, but we think it is important that it is done well.

Peter Schofield: Can I add to that? When we think about the rate of progress—I am getting a sense of what lies behind your question, Ms Morris—we have to remember the really important role that supported housing plays for the many vulnerable customers that we have across the country. We have tried change and reform before—I think back to 2015, for example—and it has sometimes led to quite a lot of uncertainty in the sector and a lot of associated risk in terms of investment in new properties and the future of existing properties.



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The reason we need to work closely together but also to work carefully and methodically in step with stakeholders is that we need to make sure that we do not do anything that puts at risk any existing provision, which is so important. I go around the country visiting customers; when supported housing is done well and is well managed, the impact that has on people's lives is phenomenal and inspiring. We do not want to put any of that at risk. We need to do all the things that Sarah described and address the challenges set out in the NAO Report, but we must not put at risk the provision that is already there.

Q16 Anne Marie Morris: Is the programme board going to be looking at some of the complex legal challenges that are almost unintended consequences? If I look in Devon, where my own constituency is, we had this really unfortunate West Devon situation, which was a lose-lose for everybody. A corporate, effectively, was taken and the structure was, I can only say, abused to ensure that they actually managed to create a situation whereby they had a registered housing association, which was effectively rejigging the nature of the people it was taking in to ensure that they were offering exempt accommodation, which of course has no cap on housing benefit. The consequence was a loss to the Treasury and a very substandard level of support for individuals.

Is there anything that the board is looking at to deal with that issue—an unintended consequence and a legal issue that needs addressing, but which does not fall neatly within any of the things you have talked about?

Sarah Healey: That issue of abuse of housing benefit—

Peter Schofield: Shall I pick up on the housing benefit element? I think West Devon did the right thing in using its management of the housing benefit regime locally to challenge what it regarded as excessive rent. We see that, and it is referenced in the Report; it is about the resources available for local authorities. There is an example in Birmingham.

I was in a local authority only last week—not one of the pilot ones—and they talked about the work they do when they get claims in from new providers that they are not aware of. They look at those carefully. For example, they want a breakdown of service charges. They want to understand the invoices behind maintenance charges. They want to have a good understanding about the nature of the provision that is being provided and corroborate that with the residents. They do the right thing.

We do see that, and local authorities who are able to do that. What the Bill will do is give them more power to be able to set those standards locally using licensing regimes. The licensing regime will also then enable them to charge a fee that will provide the funding for the resourcing for that.

This is about supporting local authorities to do the right thing locally, as I think was done in West Devon. We are talking about a registered provider, and, in the end, the Regulator of Social Housing could also step in, from a governance point of view as well. The starting point was supporting the local authority to do the right thing, which I think they did in that case.



Q17 Anne Marie Morris: Now, there is another board—the supported housing advisory panel—which has a different role in all of this. One of its roles is to try to capture the views of residents, to make sure we get the offering right. It is always going to be a challenge to make sure that you incorporate the views of the most vulnerable, because they are often the hardest to access. How are you going to ensure that you can get those views? What steps are you putting in to make sure that that representation is there?

Sarah Healey: The advisory panel is something that flows from the Bill. It is established in the Bill to set up an advisory panel. We are absolutely clear that that needs to include the voices of residents. We will find whatever the appropriate mechanisms are for doing that. We can do it through using former residents of supported housing; current residents, where appropriate, can be consulted; and we can also use representative bodies of those who use supported housing. We are absolutely mindful that that voice has to be present on the advisory panel or it won't give a full picture or offer us proper insight, which is what we want from it, about the way that our reforms are affecting the supported housing sector and whether more needs to be done.

Q18 Anne Marie Morris: But at the moment you are not clear how you are going to do that.

Sarah Healey: We haven't set the panel up yet, but as we set the panel up we will make sure that the resident voice is central to it.

Q19 Anne Marie Morris: In terms of the different mechanisms, will you actually put something there to ensure that without that voice the recommendation is invalid?

Sarah Healey: We will set up the panel so that it includes the resident voice. I don't think we are going to have a yes/no or validity/non-validity to recommendations, but the intention is to have resident voice as part of the panel.

Q20 Chair: You have quite a range of residents.

Sarah Healey: Exactly.

Chair: So how big is this going to be?

Sarah Healey: It needs to be manageably sized.

Chair: But it is quite difficult to get the picture across—

Sarah Healey: Which is why you may want to use umbrella bodies and the voice of providers who actually work with people in supported housing along the full range.

Q21 Chair: We may be cynical on this Committee, but sometimes when you consult people, if you are using umbrella bodies, they might not all do a good job of consulting—

Sarah Healey: I completely agree.



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Chair: So given that it is inevitable that you will have to use umbrella bodies, how are you going to quality check that they are actually properly engaging with residents, not just sending out an email saying, "Respond if you want to"?

Sarah Healey: The team has some close relationships with all sorts of different levels and umbrella bodies within the supported housing sector, and they will draw on them to ensure that it is given a proper balance and range. We do need to report on how we are implementing all these reforms, so I am sure we will come back to this topic when we have worked that through in greater detail.

Mr Francois: Mr Schofield made a very good point. One point that residents of supported housing or sheltered housing, be they in the public or the private sector, have often made to me is that they do not always feel they have the ability to challenge some of the bills. There has been a trend of more and more different charges and line items starting to appear on the bills that residents get.

Notting Hill Genesis have a place in Rayleigh called Sangster Court, which is nicknamed "Gangster Court" because of the way they charge people. They sent residents a bill charging them each 97p, from memory, for a depreciation on a communal sofa in the common room. This is how silly it is starting to get. I do think, Mr Schofield, that you have hit the nail on the head there: somehow, we need to empower residents, whether public or private sector, to challenge the bills that they are getting from some of these organisations. Anything you can do along those lines would be welcomed.

Chair: We will come to some of that a little later. Let us go back to Ms Morris.

Q22 **Anne Marie Morris:** In the definition of supported housing we have the "housing" element and the "support" element, but there isn't the clarity that we need or the definition of what that means in terms of the care someone will necessarily get. What is the support that that person necessarily gets? What is the supervision that person necessarily gets? Are you looking at how to get more clarity about how we actually define the "supported" bit of supported housing? That will help us to ensure that we get the quality that is needed and that residents get the support and care that they actually need.

Sarah Healey: I completely agree that that is a gap at the moment, and that is precisely the gap that the supported housing standards are looking to address, to be clear on what level of support we expect to be provided for a range of needs within supported housing across the full landscape of people who rely on it.

Q23 **Anne Marie Morris:** Will that specifically look at what we mean by "support"? What is care? What is support? What is supervision? How granular will it be?



Sarah Healey: We are going to consult on it, so we will take people's views. When you are setting out things like national standards, there is always a balance between granularity and not overburdening or over-specifying. We want to meet that balance as best we can, but that is precisely what the national supported housing standards are intended to address.

Peter Schofield: We are then looking at linking that to housing benefit, because a lot of the challenges that have come out in the NAO Report are related to the fact that the "care, support and supervision" definition is attached to the specified accommodation definition. Exempt accommodation is a part of that. It was almost defined in terms of what it was not. It was not covered by the rent officers' determination cap and the local housing allowance and all the other caps. It was not really intended to be a measure of care and support.

What this Bill will enable us to do subsequently, through housing benefit regulations, is to make some link between the payment of housing benefit and that exemption from other types of housing benefit, and housing benefit policy, in order to enable us to link that to specific "care" and "support" definitions through the licensing regime.

Sarah Healey: Also, one of the other crucial aspects of the standards will be a requirement that an individual needs assessment is made for individuals, so that when we set out the standards that are required, we are also not ignoring the fact that individuals with complex sets of needs may need a range of different things and different aspects of support. So that needs assessment is a really critical part of this.

Q24 **Anne Marie Morris:** And it will need to cover the range because you have the older, long-term, as against those living with disabilities, and then the short term, so you have quite a range that needs covering.

Sarah Healey: Exactly, and sometimes aspects of that overlap.

Anne Marie Morris: Absolutely.

Q25 **Sir Geoffrey Clifton-Brown:** Mr Schofield set out very clearly on behalf of his Department how he is going to rectify the paucity in data on housing benefit, going back in some cases to 2014. Ms Healey, the Report makes it quite clear that your Department's data in some cases stems from 2016, which is a long time ago. What steps are you taking to make sure that you are obtaining data on quantum, quality, supply and demand, standards and so on from local authorities?

Sarah Healey: As I set out earlier, there are two things happening on data, and I will ask Mr Mian to expand on this. One is updating a comprehensive snapshot of where we are on supported housing, understanding supply, providers, cost, range and so on. We will then use the duties that we put on local authorities to do a strategic review and plan for their supported housing provision, which will mean we can update that snapshot on an annual basis, so that it does not become a snapshot we return to in six years' time. The initial snapshot research is under way,



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and the Bill will mean there is then an ongoing way in which that will be updated and understood at a local level, which we can aggregate nationally. Emran, I do not know if you have anything to add on that.

Emran Mian: That is exactly right. That research is under way to update the 2016 snapshot, which will draw on existing data that local authorities have to give us the national picture of supply and types of supported housing. Through the duties that are being placed on local authorities as a consequence of the Bill—and it is also a function of the licensing scheme—local authorities will then be able to have much more granular data about the supported housing in their area. We are also placing a duty on them to plan for future need.

Through the licensing scheme, they will be able to extract information about all the properties in their area. That will be very valuable, and we expect that they will be able to get much more detailed information than even they hold at the moment. It will then be important for us to aggregate that at a national level. They will have an ongoing duty to plan for the future, which is where we think a lot of the insight will come from.

Q26 **Sir Geoffrey Clifton-Brown:** Can I return to the original question that I asked Ms Healey about new burdens? New burdens are all very well, but we must bear in mind that local authorities are really strapped for cash at the moment, and they are not performing their existing duties in relation to supported housing, let alone new duties. New burdens will probably enable them to set up these new systems, but they are going to have an ongoing annual cost. How will they manage that?

Emran Mian: They are; you are absolutely right. That is why, as part of starting to work with an initial set of local authorities to address issues in those areas and to learn for a national system, we have been funding a limited number of local authorities to do pilots on how to improve supported housing. What we have seen is that local authorities have used that money to improve their internal systems and to build out the teams they have that work on this. We expect many more will follow that pattern when the reforms come into force.

The commitment we have made is to assess the new burden that is associated with the reforms and to fund the set-up costs, and then—you are absolutely right—there will be ongoing costs associated with it. Ministers have said during the passage of the Bill that we expect there to be a fee associated with licensing, so the landlord bringing forward a unit of supported housing for licensing will pay a small fee for that, which will then allow the ongoing cost that a local authority faces to be met.

Sarah Healey: I should also say—because it is not Emran’s responsibility; it is mine—that we will always look at the financial position of local authorities in the round when it comes to a spending review, the full range of activity they need to fulfil and cost pressures on them.

Q27 **Olivia Blake:** Ms Healey, what are you doing to meet all the many commitments made by the Under-Secretary of State for Housing and



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Homelessness in March 2022?

Sarah Healey: It is largely through the reforms we have been talking about this morning. I do not know if there is a particular aspect of what he committed to that you are concerned is not included in those reforms, but the programme of data, the support that we have offered and given and the work that Bob Blackman MP has done in driving forward the private Member's Bill has been our way of taking all of that forward.

Q28 **Olivia Blake:** Do you feel that that will be enough to overcome some of the challenges we are seeing here?

Sarah Healey: As I outlined in my original answer to Mr Francois, clearly the intention here is to fill a significant gap that had been identified in the oversight of supported housing, which was leading to inconsistency in the quality of support offered alongside it and, in some cases, to the misuse of housing benefit as a result of that. We want to ensure that we are addressing that. I do not think I would underestimate some of the challenges that exist in this area in terms of the gap between supply and demand—which we cannot specify at the moment because of the quality of the data we have, but which we assume is there—and what we would need to do in order to close that gap.

Of course, quite separately from the Bill, we have been taking action on supply through a range of different interventions. I mentioned the affordable homes programme, but in addition to that there has been a specific injection of funding on domestic abuse—new burdens funding—in order to provide more accommodation for victims of domestic abuse. There has also been the rough sleeping accommodation programme, so there has been a number of different ways in which we have tried to address supply alongside the reforms that we think will address quality and consistency of the support that is offered.

Q29 **Olivia Blake:** We have already spoken a bit about new burdens. Funding is one thing; capacity to deliver all these new programmes is another. Do you feel that the capacity of local authorities to be able to deliver on all those things you have outlined is there, and how confident are you about the delivery of everything you have outlined?

Sarah Healey: As ever, there are variations in the capacity and capability of local authorities. We have been working closely with the LGA and other partners on that over recent times. You will know about the nature of our spending review settlement, which did increase funding to local authorities to enable them to build capacity and capability across the board and meet some of their pressures.

In addition to that, we need to remember that with the funding it is then their responsibility, as local authorities, to use that funding and prioritise within it for the things that need to be done. I should also emphasise that I think the work that Oflog will do in future on transparency and on sharing examples of good practice in the way that local authorities operate will be helpful to raising the bar on capacity, capability and quality across the board.



Q30 Olivia Blake: Some of these are quite meaty issues for local authorities to get to grips with. Mr Schofield gave an example of good practice, but how well embedded is that good practice, in response to my colleague's question about following things through to find where there has been misuse of things like that? How widespread is that, or is that an exception rather than the rule in that space?

Peter Schofield: On the housing benefit administration side of it, I think the Report sets out examples of good practice, particularly those funded by the pilots in those five local authority areas first up and the work of the supported housing improvement programme as well, which will enable that to be rolled out to a number of other local authorities. I think we are seeing that. The one that I visited, particularly last week, was not one of the pilots, so that is another great example where it is being done. In fact, in that case it was being seen as a way of managing down the subsidy loss risk they face, which is one of the other points that comes out quite well in the Report.

I think this is an area where more capacity probably does need to be built up. We have a very robust way of monitoring the general way that housing benefit is used through our assurance process, but I am not sure that that is really particularly effective at identifying the sorts of issues identified here. This is something where particularly the SHIP will be able to do more to build that resourcing using the models that have been described, but in the five pilot areas of where good practice has been operated up until now. As Emran says, funding from a licensing regime will enable that to be supported going forward, because obviously some we will need to keep under review.

Q31 Olivia Blake: I think my colleague will come in on subsidiary loss and some of the challenges from a licensing perspective. Going back to the impact on local authorities, are you planning to consult on these new measures and work with local authorities? What would that look like—Ms Healey?

Sarah Healey: Absolutely, and local authorities are of course a statutory consultee on the reforms so we will engage them very closely. We have done all the way along as well.

Q32 Olivia Blake: How will the strategies that are going to be created at local authority level for supported housing in their areas be used? What insights are you hoping to gain from those strategies?

Sarah Healey: At local level, we think they will enable local authorities not only to have a really clear picture of what is currently available but, crucially, to match that to where demand might exist. We know that demographic and other factors mean it is probably quite likely that demand exceeds supply, so at local level we will be able to identify where that is the case.

At national level it will enable us to understand where the variation in provision sits between local authorities and what interventions we might want to make to provide support where there are particular issues. Also,



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as I said earlier, it will enable us to think about where there may be different sources of funding for supply, whether through the affordable homes programme or other interventions that we have previously implemented—like the rough sleeping accommodation programme—that we might want to put in place to address specific gaps.

Q33 Olivia Blake: This is a bit leftfield, but there is some funding available for disabled residents to own their own home, although I understand that it is very difficult for people to access at the moment because it is not the preferred option for suppliers. It is essentially a useless tool because no one can get the delivery of them. Are you considering, in this work, looking at some of that again to see what can be done to make sure that people can access secure housing through the schemes that already exist, rather than schemes being kind of sat on the shelf and not really getting used?

Sarah Healey: I cannot comment on that specific example; I do not know whether any of my colleagues can.

Chair: Mr Mian, is that one for you?

Emran Mian: I wonder whether that is in relation to shared ownership under the affordable housing programme and the element of the affordable housing programme that is trying to increase the supply of supported housing. What I would say on that is that we had, as the permanent secretary mentioned, set a target of achieving 10% of starts within the affordable housing programme being supported housing. As we have discussed in this Committee before, it has proven very difficult to reach that point.

Exactly the kind of point that you, as well as others, have made has come up in the engagement that Homes England and the Greater London Authority have done with providers and potential providers about what is holding them back, if you like, from bringing forward supported housing supply. We have been addressing those issues currently in the delivery of the programme. I think the early signs are that performance is improving in terms of securing new starts, but we are still not at the level that we want to be at. Continuing to learn from the kind of example that you have given is absolutely part of how we are trying to deliver the programme.

Q34 Olivia Blake: If the target is 10%, what percentage are we at?

Emran Mian: I think in the last reported numbers that we used and discussed previously with this Committee we were at 5%, so we have quite a bit of catching up to do.

Q35 Mr French: To follow up on the point you just made about the supply, you mentioned the Greater London Authority and the failure there; what are the main factors in why we are not seeing that supply? Surely, looking at the other parts of the NAO Report makes it quite clear that this is effectively a Government-backed cash flow for the housing benefit side. What reasons are the market providers—the housing associations and house builders—providing for why we cannot increase supply in this area?



Emran Mian: It is a mixture of reasons. Some of the reasons are quite general, in that social housing supply on the whole is proving difficult to secure at the moment. It is a mixture of financing pressures, in some cases planning pressures, and the other costs that registered providers are facing in terms of dealing with, for example, historical building safety issues. Some of the issues, then, are general, if you like.

There is then a set of specific issues in respect of supported housing itself. Frankly, I think a lot of it comes down to providers not knowing enough about what they should be catering for and what demand is actually there, and sometimes they misjudge that in the way that Ms Blake's question suggested. The plans that local authorities will be creating under the new regulatory regime will be a massive help to providers in terms of their knowing what there is a market for and what they should be trying to supply.

Q36 **Chair:** We will come on to some of that later, but there is a big issue with data—it is endlessly a boring message from this Committee—in this sector in particular.

I want to move on a bit. First, Ms Healy, I want to ask you about the unintended consequences that are potentially there for the licensing scheme. There is an awful lot riding on this licensing scheme. First of all, it is an extra cost to landlords. No one denies that this should be regulated better, but have you got any idea of what the licensing scheme will cost to different types of landlords, and whether that might have an impact on whether they stay in the market?

Sarah Healey: I cannot answer the specific question of costs right now. That is part of the process of—

Chair: Any ballpark?

Sarah Healey: No, that is part of the process of consulting on it and understanding what the licensing regime will mean. We will obviously want it to be as streamlined as possible, but we are really mindful of the unintended consequences. Peter set out one of the impacts that previous sets of reform had here—in creating uncertainty and anxiety among providers—which, ultimately, risked leaving some people's needs not being met in the way that they should have been.

Chair: Yes, even social landlords struggled with that.

Sarah Healey: Which is precisely why we want to take our time to ensure that we are consulting on the precise nature of the licensing process, and indeed on the national standards, in the right way.

Q37 **Chair:** Would you be looking at having that licensing fee being different in different regions of the country, or is it likely to be a flat rate?

Sarah Healey: I am afraid that I couldn't say at this stage.

Q38 **Chair:** So it really is all on the table at this point. Obviously, you have to balance the cost to the provider with the cost to the local authority, as Sir



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Geoffrey has highlighted. I mean, the new burdens money is there for only a short period of time, and if you produce a scheme where the licensing fee does not cover the cost of delivering it—I am thinking of some of the other aspects in my local authority, such as the licensing of licensed premises, where the fees are sometimes ridiculously low considering the cost to the local authority of delivering it. Then you end up just shooting yourselves in the foot, don't you?

Sarah Healey: Yes, and it will not work. Exactly. As ever, it is a sweet-spot issue between having a licensing regime that is sufficiently robust that it ensures that those standards are being upheld—and that it does not push good providers out of the market unnecessarily, either by being overly specific or by specifying in the wrong way on the wrong area of support required—against setting the fee at the right level to be able to do appropriate cost recovery without making it difficult for providers to access.

Q39 **Chair:** Again, I may be premature in my question, but are you looking at having an uprating mechanism that is automatic, or is it something that would require active intervention to uprate over time?

Sarah Healey: Again, I do not know, but I am happy to ensure that we are taking that into account and consulting on it.

Chair: It's just that many fees in local government now are so low—

Sarah Healey: Because they haven't been uprated over time, yes.

Chair: So if it is not built in as a mechanism, it can easily be something that just falls down the agenda of a busy Government Minister. Even if there is an intent, just in genuine terms, it just might not be on the radar.

Sarah Healey: Indeed, and then it ends up being a cross-subsidy that is required from other parts of the local authority, or the licensing system is not done very well, which, obviously just does not meet—I mean, we would not want our equivalents to be sitting here in five years' time saying that that was the case.

Q40 **Chair:** Well, there are some members of the Committee who are young enough to be here in five years' time, so I am sure that they will remember that comment and relay it to whoever our successors are.

I wanted to move on a bit to some of the funding costs, but before I do that, I just wanted to remind us all, really, why we are here. Mr Francois highlighted some of this, but I would really pay tribute to our sister Committee, the Levelling Up, Housing and Communities Committee, who held their inquiry into exempt accommodation in 2022. They were pretty shocked, and I am pretty shocked at the strength of the words in their report. They said that they had seen lots of difficult things that shocked and alarmed them over the years, but "In short, we would describe the system of exempt accommodation as a complete mess... while unscrupulous providers make excessive profits by capitalising on loopholes. This gold-rush is all paid for by taxpayers through housing benefit."



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Ms Knight you are there to help tackle fraud on those issues. What are you looking at to ensure that this goldrush of excessive profits by people capitalising on loopholes is written out of the system in future?

Peter Schofield: Shall I start and then bring Vikki in? As you say, she is both the housing lead and the fraud and error policy lead. They are separate but do come together in—

Q41 **Chair:** There are many people doing more than one job in the Department, I have realised.

Peter Schofield: Yes. We should start from the fact, as I said at the beginning of my answer to Ms Morris, that this is a funding stream that is very important because of the vulnerable people who are being supported. I look at the different reforms that have been made over the years, and the fact is that, every time, we have always looked at—and always needed to safeguard—this element of funding to maintain the provision that we are talking about.

But when we come to fraud and error in the housing benefit world, we obviously produce our statistics every May, and I will be back here on 17 July to talk about our annual report and accounts, which will feature a big bit about housing benefit, and fraud and error as part of that.

Q42 **Chair:** But general fraud and error—this is a very specific area of potential fraud because there are some unscrupulous people working in the market.

Peter Schofield: Yes.

Q43 **Chair:** And not everyone is doing what West Devon has done: going through it all in detail to see what should be eligible and what is not.

Peter Schofield: Exactly. It is the responsibility of local authorities to manage housing benefit claims, and the Report brings that out clearly. Our role is to reimburse local authorities for their housing benefit spend, but we do have an assurance regime to make sure that we understand the nature of those claims coming forward for subsidy reimbursement. That is part of the housing benefit subsidy returns that we get back on a regular basis and then review through an assurance process with independent auditors every year on behalf of the section 151 officer in each of the councils.

Q44 **Chair:** You are sampling, basically.

Peter Schofield: I think they have to sample at least 60 cases from each local authority, and then that is reviewed by the section 151 officer.

Q45 **Chair:** Just to be clear on the sampling of the 60 cases, that includes supported housing.

Peter Schofield: This is across all housing benefit claims.

Q46 **Chair:** Exactly—this is my point. The percentage of those that are supported housing is very small. If you were a fraudster, Ms Knight—I am not sure who to refer to here, but Ms Knight seems to have it in her job



title—working in supported housing, what are the chances of you getting caught, even with a sampling of 60, especially if the local authority is hard pressed and struggling to keep things ticking over because of its funding challenges? Are you worried about fraud in this area?

Peter Schofield: I will bring Vikki in but, yes, it comes out very clearly in the Report that there is unscrupulous behaviour going on. It is great to see local authorities that are taking action, and we have described some examples of that, but I am obviously concerned where there are local authorities that are not able to do that or have not been doing that. That is why we are absolutely working closely DLUHC in order to ensure that the regimes that we put in place enable all local authorities to act. We have talked about West Devon and Birmingham is referred to in this Report, along with the others in part three. We know that there is a gap that needs to be addressed, and that is what this is all about.

Q47 **Chair:** So, Ms Knight, what is the plan? We have some examples of some good practice, but that is not universal by any means, is it?

Vikki Knight: There are two things here. In terms of my job title and housing benefit and what we measure—as Peter said, we will be coming back here to talk about that in July—that is about housing benefit for the individual. There are a number of things that local authorities are doing in terms of tackling fraud in housing benefit, and I can run through some of them.

The other part that the Report brings out is providers that are unscrupulous—

Chair: Rolling other costs into the rent unfairly.

Vikki Knight: Rolling other costs into the rent, and that is partly picked up by what we have talked about in the Bob Blackman Bill in terms of the standards and being able to define care, support and supervision, which gives local authorities more powers to challenge that.

The second part of it—Peter has already talked about the supported housing implementation programme—is that we are seeing that local authorities are challenging where they think there are service charges that do not look right. We have also strengthened the housing benefit guidance around this and given case studies to local authorities to help to empower them to look at that.

Q48 **Chair:** One of the challenges, as Mr Francois highlighted quite effectively, is that in many circumstances it is quite complicated for people to understand the service charge bills that they get. You can add into that the fact that they are perhaps not always as itemised as in the private sector, where bills will be clearly itemised by property. With certain bodies, things are scooped up, and it is sometimes a misunderstanding, frankly, by those billing—maybe wilfully, maybe not—about how these things are billed. It is very complex for a local authority to get into that level of detail, as it is for residents.

You talk about examples of good practice and case studies. Can you just



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flesh that out a bit? What does that actually mean? There is the challenge from the DWP of providing guidance for this plethora of different supported housing schemes, with different types of services. How do they lay that out? How do they classify things? It is a bit of a minefield, isn't it?

Peter Schofield: It is a huge challenge. Obviously, it needs capacity and expertise; it also needs to be done locally to meet the local needs and situation.

Q49 **Chair:** Ms Knight, can you give us an example of the guidance you are passing down? I imagine you are in the foothills—it is a huge challenge.

Vikki Knight: I would say a couple of things about the service charges. In the guidance, we have particular case studies—I think we talk about caretaker service charges and how we break that down to give local authorities some more information to help them challenge this. Local authority people change, so we want to make sure that they are kept up to date with the current guidance. We recognise that local authorities have asked for that. Local authorities have responded really well to that. That is the first part.

When I speak to local authorities, they do challenge this—you do see that they ask for the breakdown. The provider that we visited on Friday talked about having to provide a breakdown to the local authority of what the service charges are, and which are within the requirement included in housing benefit and which are outwith that. We can see that happening. As Peter said, we rely a lot on the local authorities to do that, but we are providing them with clear guidance on the service charges.

Bringing that back out, quality—making sure that the care, supervision and services are right—is very much at the heart of what we are achieving. We need to make sure in the consultation that we bring all that out—that we hear the good examples and are not losing them but, equally, that we are identifying where we have real risk.

Q50 **Chair:** Do you think that a market will emerge in improvement in people who do the service charge billing? We have some large providers—I am thinking of some of the big sheltered housing providers. I cannot remember whether Hanover has taken over Anchor, or whether Anchor has taken over Hanover, but it is a very large provider that ought to be able to get this right. It is big enough in scale to invest in doing so. The corollary would be that for a small provider, it is quite challenging, but it could learn from the bigger supplier.

I might be looking at the wrong place here, but is there an attempt to drive a quality standard through the sector? Of course, we say “the sector”, but we have older people supported housing, disability supported housing—we know the different categories. Is there an attempt to do that? If we are not doing that now, all the licensing and funding debates dissipate, because we have such a plethora of different approaches to doing this.

Sarah Healey: Are you particularly asking for something other than the stuff that we have already talked about?



Chair: Yes. For example, if you have a sheltered housing scheme and you have a warden or a scheme manager, they are slightly different titles, and they could be doing slightly different things; in some instances, it could be a caretaker. There are a lot of interesting definitions at the edge about what is care and support for someone in a scheme. They might need care and support because they are older but not other support, whereas someone else might need intense, 24-hour-a-day care. There is a wide range. Some of the big suppliers must be getting those definitions on the mark—one would hope—and then helping the housing benefit people to pay the right amount, because it is easy to provide the data to the local authority on housing benefit. Others might not be so good.

Sarah Healey: I suppose there are two things. I hate to repeat myself, but this is what we are trying to do with the national standards, and it is what we are trying to do with the licensing regime to enforce those national standards at a local level. We should absolutely draw on good practice where it exists in the definition of what this is, and not try to reinvent the wheel unnecessarily from scratch, but I am very slightly concerned that we do not end up in a place where we over-specify. I think I have said this already. Some of what we are trying to do is to ensure that there is enough in there to drive out unscrupulous people trying to abuse the housing benefit system—

Chair: Yes, there is a danger that it could get very bureaucratic.

Sarah Healey: Exactly. I am concerned, too, that when we talk about someone with a complex set of needs, which are often overlapping or changing, we do not want to end up setting caps on costs that will end up meaning that we are not meeting people's needs. What we want is the individual needs assessment to make sure that that is taken into account.

Q51 **Chair:** In a way, you have a challenge, because you have a physical building that is provided on the basis of one set of funding, and then you have individualised care packages, direct payments and all those sorts of things based on the person. You have those two challenges to deal with.

Sarah Healey: Indeed. In many cases, despite the investment that we have put in place, it is quite an old estate. Some of the supported housing that I have visited has been adapted from buildings with a previous use. While capital investment is going into them to improve them, they are not purpose-built. People are making good use of space that already exists, but it is not necessarily what you would build if you were beginning it from scratch.

Q52 **Chair:** Definitions matter when dealing with what housing benefit pays for. Given what Ms Healey said, how do you begin to square the circle? It is quite challenging, because on the one hand, you have people paying precise amounts of money on precise things, and on the other, we are talking about individuals with more complex needs.

Peter Schofield: Remember that housing benefit is for the accommodation; it is not for the service provision around that, although some of the service charges relate to—



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Q53 **Chair:** Well, adapted housing requires a certain amount of service because it is adapted.

Peter Schofield: Yes, and some of the housing has additional maintenance costs associated with it. That is exactly why we are working in lockstep with DLUHC on the next stage of the process as the Bill gets Royal Assent, in terms of how we link the definitions to housing benefit.

Q54 **Chair:** Who will be watching to see that, in the middle of all this, an individual is not losing out? Who is ensuring that a vulnerable person is not caught because they fall the wrong side of a definition, and suddenly their housing benefit does not cover something that it previously did?

Peter Schofield: That is why we have constant engagement with the sector, providers and local authorities. We all get out and about to meet residents, hear their stories and think it through as part of the general work that we do in this area; that is incredibly important.

Q55 **Chair:** I want to look at the general picture of availability. Ms Blake will cover some of this. We had some evidence from the MP for Putney, Fleur Anderson, about a concern there about a sheltered accommodation scheme that has a mix of residents. In that case, elderly and vulnerable residents are sharing accommodation with somebody whose behaviour has been bullying and threatening.

I have seen that in my constituency: because of the challenge of availability of housing, sheltered housing has been used to house homeless people. They have absolutely every right to supported housing, but that was not the right environment because of the shared facilities. It was very difficult, even though people were willingly trying to help support their new neighbour. I should stress that, in Hackney, if you are over 50, you are old. You can get into sheltered housing in your 50s, so there is quite a range of ages in there. That has been a great resource in many parts of the country to help people who are old but not that old to get into accommodation where there is a shortage.

Ms Healey, are you looking at the overall picture—maybe Mr Mian will have the answer—of the future of supported housing? You talked about repurposed properties, but we are seeing mixes of people that aren't very good. Ms Anderson's evidence, which is on the record, highlights some very serious concerns.

Sarah Healey: We are making a range of interventions on supply, one of which is the affordable homes programme. As previously set out, we are monitoring closely where we get to on meeting the target in the next set of data.

As I said previously, the frustration at the moment is that we can't target the supply interventions properly against need and demand. We think that the demand exceeds supply, and your example suggests that that is correct: in terms of having the right supply for the right people in the right places, we are not where we want to be. The local plans are the mechanism to make sure that happens at a granular level. A national plan for supply, imposed from the top down, is not the right answer, because



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there are different demographics in different local authority areas, which means that different configurations of supply are required. On my previous point about the fact that, in many cases, this is historical stock that is being adapted and used for this purpose, that will vary hugely in different areas.

We have made some interventions on supply for very specific groups. I have already mentioned the victims of domestic violence, and there are also those moving out of rough sleeping and in transition. Those are areas where we have tried to inject some funding nationally to be delivered locally in order to try to meet specific needs, but we know that there is an issue, and we know that the data needs to match up and then we need to look carefully at what it is telling us about where the mismatches are and to figure out what the best way is of addressing that, considering, as I say, it is a very local need and it is very different in different places because of the demographics. All in all, nationally, it probably adds up to a number of people in different groups not receiving the support that would actually benefit them and would be value for money.

Q56 Chair: Ms Blake will pick up on some of this in a moment. I just want to go back to you, Mr Schofield, on the whole issue of subsidy loss, which is a nightmare for local authorities and means that they are losing money a lot of the time. How are you going to address this in the new regime?

Peter Schofield: This is obviously something that is in the regulations, as the Report sets out, and what that does is enable us to refund the payments that are made, in full, to registered providers. But where the provider is not registered, it is up to the level of the rent officer determination. That is set out in the regulations. We can pay an extra 60% where the customer is vulnerable—again, as defined by the regulations.

So we have the regime that we have. Last week, we met a local authority who are managing down the subsidy loss by doing all the good things, in terms of managing stock, that we described earlier: managing providers, asking for breakdowns of bills that come through on service charges, and suchlike.

Q57 Chair: Will that actually bridge the gap?

Peter Schofield: They told a story of how that did reduce the level of subsidy loss for them.

Q58 Chair: Reducing the level of subsidy loss is not bridging the gap fully, is it? Isn't the system bust if it is costing local authorities? There is something wrong, isn't there, in the system?

Peter Schofield: There is the opportunity for us to look again at this as part of the next stage in the process, as we look at implementation of the provisions in the Bob Blackman Bill. Obviously, that is a policy question that needs to be assessed. But subsidy loss is something that is set out in housing benefit regulations.

Q59 Chair: The NAO lay the situation out very clearly. It has gone up



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significantly. It has almost doubled—actually, it has more than doubled—since 2017-18, up to the end of 2022. When local authorities have very squeezed budgets, that is a real challenge.

Peter Schofield: I imagine the thinking behind it was to incentivise local authorities to look very carefully at providers coming in through the unregistered route. There is an opportunity to look at this, but it is a policy question.

Chair: So you will consider it.

Q60 **Olivia Blake:** Moving on to the broader ways to improve supported housing, how are you working with DHSC to deliver the right homes to the right people? We have had interesting evidence from Coventry City Council, which shows this issue quite well. They are currently having quite a lot of student blocks being taken over to be used for supporting living, and that is having an impact, because the area is quite densely populated. That is a good example of where, perhaps, it isn't the right housing in the right place for the right people. How are you working to ensure that you do have the right housing for the right people?

Sarah Healey: We work closely with DHSC. We have mentioned that they are the other partner on the programme board and that we, obviously, look at where the overlaps between care and support fall and therefore where we need to link up with DHSC activity in order to make sure that people's needs are being met in full.

In terms of the right accommodation in the right place for the right groups, I am afraid I can only return to my previous answers on this. I do not have anything further that I can point to. I can, however, use this opportunity to repeat that in order to clarify that the full review of what is available and where demand is going at local authority level is every five years. I think I may have said earlier that it was annually, but it will be every five years so that it can take account of demographic changes and be very comprehensive.

Emran Mian: On the theme of working together, DHSC do have some capital funding called the care and support specialised housing fund. It is about £70 million a year and is used specifically for supported housing for older people and adults with a physical or learning disability, including autistic people or adults with mental ill health. As an example of working together, that funding is administered by Homes England, who also administer the wider affordable housing programme. We thought that was one of the places where there was an opportunity to work together.

Q61 **Chair:** That £70 million presumably gets spent in full every year.

Emran Mian: Yes.

Chair: But it is an annual £70 million. Do you know what demand would be? It must be higher than—

Emran Mian: Yes. Both this year and next year there is about £70 million of spend available.

Chair: Okay. So, only if it's two years at the moment.

Emran Mian: I was just talking about this year and next year in terms of the supply that Homes England are trying to secure at the moment on behalf of DHSE.

Q62 **Olivia Blake:** What do you think the gap is between demand and availability?

Sarah Healey: Unfortunately, we cannot have a specific answer to that because of the failures in the data that is available. I have been quite straightforward that we think there is a gap between demand and supply. It will vary at local level. It will also vary on client group at local level and nationally. Demographic and diagnostic changes suggest that some of the issues will be with people with disabilities, autism in particular, but also other categories. We cannot put a nailed-on number on it. Even then, at national level it will give you one picture, but locally is where the gaps are experienced.

Q63 **Olivia Blake:** Are you working with carers groups? A lot of people who want to move into this accommodation have quite elderly parents themselves who might have health needs. It is often a good transition for those families to get supported housing. Is their voice being heard?

Sarah Healey: The team work with a really wide range of stakeholders. I do not know what specific contact they have had, so I cannot reference that, but I am sure that they are part of the group.

Q64 **Olivia Blake:** How are you working with the wider supported housing sector, not just DHSE? How are you supporting that sector to be able to deliver the right number of homes?

Sarah Healey: The team has regular engagement with the supported housing sector. I certainly got a very strong impression of just how close those working relationships are on some of my visits to supported housing. Some of those relationships were closely built during the pandemic, because this was an area that required careful attention in how restrictions were implemented in supported housing. Where there were strong and close relationships previously, I think those strengthened even further during that period. Certainly that is the feedback that I have had.

Q65 **Olivia Blake:** The National Autistic Society has given us evidence that makes it clear that delayed discharge from mental health hospitals is an issue. We know that a lot of individuals are inappropriately in hospital because there is no accommodation available. Are you having specific conversations in the wider housing sector to prompt change in that space? Clearly, the situation is wrong. It is a poor situation.

Sarah Healey: Not only that, but it is also very expensive. It is inappropriate for people's needs and does not help transition to independent living or higher quality of life. We absolutely recognise the problem. My specific answer is to go back to what I have said before about the different ways in which supply is being understood better and the interventions that are happening, but I cannot promise that that will



specifically resolve that problem. It is one of the problems we want to see resolved by increasing understanding of supply and demand. I don't know whether Emran has anything to add.

Q66 Olivia Blake: I could talk about psychosis and loads of different issues where housing is a particular issue. How are you making sure that you embed that, engage with it, and actually see delivery? I recognise you are having the engagement, but how will you get to the delivery stage?

Sarah Healey: Happily we are under some duties to report on how well we are doing on delivery as part of the Bill, so we will do that and meet our responsibilities on it. We are also required to perform a review of how well the new system is working every three years as part of the Bill, so we will definitely do that. I also think the publication and transparency around the data is an important part of holding us to account.

Q67 Olivia Blake: My colleague will come in on data, so I will ask about the commissioned research by Sheffield Hallam University—I am a Sheffield MP. You mentioned a snapshot—I think this is what you were referring to—and I was wondering when that will be published. I understand it is meant to be November this year. Is that on track?

Sarah Healey: The aim is by the end of this year, yes.

Q68 Olivia Blake: How will you use this research going forward?

Sarah Healey: Emran might be able to say a bit more about the research, but obviously we last had a snapshot in 2016, so our understanding of where demand and supply sit is not where it should be. This will enable us to understand those gaps a lot better. As with all data, not only will that feed into how we design standards and licensing conditions, because we will understand the range of things that they need to affect and touch on, it will inevitably get us to reflect and advise Ministers on where there might be a need for other kinds of intervention. Obviously, it is not for us to decide what interventions to make, but it is for us to use the data we have available to advise on what might need to be done.

Emran Mian: The only thing I would add is that that is where the research has begun. That is the most important thing for us to learn first. We expect that once that phase of the research has been completed, there may be some areas that we need to focus on further for our research, which might be specific parts of the country where there is a mismatch between supply and demand. That comes out really clear in the first phase of the research. It may be, as you are indicating, particular types of accommodation that we need to drill into and understand a bit better.

Q69 Olivia Blake: Just to push you, what do you think the output from the Department will be in response to that research?

Sarah Healey: We do not intend to publish a specific document in response to the research as such, but clearly, we have the duties to report under the Bill, and that will reflect on the research as produced. Aside from that, that will be in the public domain, so I am sure we will—quite rightly—be questioned on it and will advise Ministers on what it says.

Q70 **Chair:** So the research will be in the public domain.

Sarah Healey: The research will be published.

Q71 **Olivia Blake:** Finally, on that point, how will you ensure that you have this type of research and scrutiny going forward? Will this be a stand-alone piece of work that you will forget about, or will you embed this kind of learning in the round?

Sarah Healey: As I said earlier, helpfully, this snapshot provides a really good baseline for the five-yearly reviews that local authorities are doing, which will mean that we will have better, more up-to-date data on an ongoing basis in future.

Q72 **Olivia Blake:** We have had endless evidence where people are asking for baseline costs and more regulations. Do you think this will get closer to that answer through this research?

Sarah Healey: Yes.

Q73 **Mr French:** Following on from this point about data and trying to measure current and future demand for supported housing, have you or any of your colleagues looked at working cross-departmentally with the Department for Education? I particularly want to reference the Department for Education and local government, which have gotten a lot better at trying to profile future demand, particular on special needs school places. That might be one area that you want to look at in terms of future demand.

Sarah Healey: That sounds very helpful.

Emran Mian: It is a good example. What they have is much better baseline data than we currently have on supported housing, but we will be in a better place come the end of the year in terms of the baseline. Of course, in the DFE example, you have the local authority level planning, which, again, is what we are seeking to replicate through the duty on local authorities to have that strategic plan at the local level. I do not think the analogy will be perfect in all respects, but it is quite good in terms of where we might want to get to in terms of being able to understand the current stock, the current need, but also to project forward.

Sarah Healey: It is probably worth saying—I used to do school places planning at the Department for Education—that, obviously, their demand modelling is really good and well done, but we will be able to use the data on potential need coming through the system. I think it is probably also worth reflecting that the adult landscape can be quite complex and people's needs can develop at different rates that are quite unpredictable.

Q74 **Mr French:** I wanted to make that point following on from the autism example that was just provided. Certainly, locally in Bexley where we are, we have seen significant growth in demand for specialist provision for autistic children, so it is following that trend through to adulthood. Again, I appreciate your point about how demand and need changes as people mature.



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Sarah Healey: Also, increased diagnosis of autism covers the full spectrum. Some will require that kind of support in later life and some not, but it is very much understood as an issue.

Q75 **Chair:** Related to that point, a number of years ago a requirement was imposed on local authorities that they had to identify every adult with a learning disability living with an older adult—so children living with their parents, but come into adulthood, and their parents likely to die. The local authority needed to make sure that it knew where those people were. There is a precedent for that kind of identification. Is that something you are building into what you will be expecting from local authorities, because it is not something that just your Department will be responsible for?

Sarah Healey: I do not know about that specific example, but I am happy to follow up.

Q76 **Chair:** Equally, there are other examples of people with needs—perhaps a physical need—living with someone they rely on to be a carer, but might not be able to cope.

Sarah Healey: Indeed. Mapping future demand is a challenging thing to do, and we will want to give as much assistance as possible to local authorities about how to do that well.

Q77 **Chair:** Exactly. It is interesting that you relate it to the school issue, because there is often discussion about whether the Department or the local area is responsible. We are seeing huge challenges in London, with the drop in school numbers, which was predictable but has come very rapidly—it was not predicable fast enough.

Sarah Healey: Yes. When I did it, it was the massive increase in demand for places.

Chair: There is a lot to this, and it is not always easy to be scientific about it.

Q78 **Sir Geoffrey Clifton-Brown:** I have the National Star College in my patch. Basically, it is the national college for taking the most physically and mentally less able people. It does a wonderful job of enabling youngsters to get to the stage of independent living, but of course they need specialist, independent-living accommodation and, in a very hot housing market in Gloucestershire, getting enough of that is a real problem. Given that paragraph 2.16 states that Homes England only produced 8,471 supported housing homes, against a target of between 12,200 and 13,000, how does it allocate those and what more help can you give local authorities, not only with supply, but, when the new regulation comes along, with how you give to areas such as Gloucestershire, which have people from all over the country and therefore have a particularly difficult job in supply?

Sarah Healey: I will ask Mr Mian to come in on this.

Emran Mian: As you indicate, because Homes England—I believe this is true for the Greater London Authority as well—has not been able to



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procure, so far, the supply that we are seeking on supported housing, there is a very active set of conversations with providers and potential providers about what they might be able to bring forward.

I am happy to go away and check as to whether the particular connection that you are describing has been made, but we have certainly been exerting a lot of pressure, and we are satisfied that both delivery partners are responding to it—going out and seeking out those providers and having really open conversations with them about what it is that is holding them back from bringing forward more supported housing supply. The grant is there, the target is there, and it is the most value-for-money way of procuring supported housing, so the pressure is absolutely there on the delivery partners to go out and have those conversations.

Q79 Sir Geoffrey Clifton-Brown: Ms Healey, may I get them, through me, to give you a note of their problems? It would be really helpful.

Sarah Healey: Of course, absolutely.

Q80 Olivia Blake: Mr Schofield, you obviously have a lot of data in the DWP, but PIP would be a good indicator of need, especially as there are different bandings of need within that. Do you ever use that to help to paint a better picture, and use that datapoint to help discussions around planning?

Peter Schofield: That is a good challenge. We do not use it in that way. We are seeing quite a big increase in PIP applications, and we will talk a lot more about that in our annual report and accounts when that comes through. As you say, PIP is a measure of people's needs, in terms of types of support to live independently. It is an indicator that we should be looking into, yes.

Q81 Olivia Blake: Especially as it is not means-tested, so it kind of gives you a clear view, doesn't it? I also wonder whether there is more that DWP could be doing to help with the unmet need that might be there, and whether you have any other datapoints that you could bring in to support colleagues across Government.

Peter Schofield: As I said earlier, we are doing a lot of work to improve the quality of our data on supported accommodation—specified accommodation specifically—through housing benefit. Absolutely, we are going to be using that data to help support all of the conversations that Sarah has described in terms of how we think about provision going forward.

Q82 Chair: I wanted to ask about something you said earlier, which I forgot to pick up. Ms Healey, you mentioned interventions by the Department where there are issues. Can you describe what sorts of interventions you would be making on local authorities where they are having challenges?

Sarah Healey: I am afraid I am not quite sure what I was saying either.

Chair: Forgive me, I should have picked it up earlier.



Sarah Healey: I might have been talking theoretically about the fact that if we end up in a position where we identify that there are particular gaps in local authorities, like between supply and demand, or other issues, we will obviously want to look at how those can be addressed.

Q83 **Chair:** I suppose you have both the benevolent and the carrot-and-stick interventions, but have you got any support that you could put with the carrot? The stick, for local authorities, is just completely recalcitrant, I suppose. But, actually, some local authorities will be stretched financially.

Sarah Healey: Absolutely, and that is why we will want to look at understanding what that gap is and whether this is a funding need. There has been a changing demographic, which we have not been able to recognise in funding that has been received previously, and I do not think we would necessarily see it as an “all stick, no carrot” issue.

Q84 **Chair:** It is interesting to look around this table at the different demographics in our own constituencies. As I say, over 50 is old in Hackney South and Shoreditch. I suspect it is slightly different in The Cotswolds and Devon. We have different needs, so you cannot really have just one national pot of money that is trying to sort this out.

Sarah Healey: That is exactly what I mean. One policy, and one national funding programme, needs to take account of different needs in different places. It has changed over time as well. We know that people in older ages are moving to different parts of the country from the parts of the country they used to move to. Therefore, their need is changing over time, which is why these projections are so important.

Q85 **Chair:** We are losing schools because no one can afford to live in our constituencies, but that is another matter that I have taken up with you in other places.

I just want to be clear on the licensing fee in terms of housing benefit. Presumably, housing benefit will not cover the licensing fee. There is a danger that it will come down in the service charge to the resident, but presumably housing benefit will not cover that.

Peter Schofield: Housing benefit covers the cost of the accommodation.

Q86 **Chair:** Exactly. It is not accommodation but, on the other hand, it is very much tied to the accommodation, isn't it?

Peter Schofield: Yes. That is an issue we need to be working through.

Chair: So that is still not thought through. There is a lot hanging on this licence fee and how it works. With our sister Committee, we are going to be looking at this. I think they want to look at it again. I cannot predict, given their workload, but we will want to join forces with them to keep a very close eye on this. It is quite clear that the Bill that Bob Blackman has put through has been a really important driver to change, but I think we are picking up very clearly that there are real issues here about data, predicting demand and the challenges of making sure people have got the right support. Sometimes at the lower-level end—I have a lot of people



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with mental health problems or substance problems who are living in general housing estates, which is causing a lot of challenges. They do not need much support, but they need a bit more than they are getting. We know this is a big issue from our constituency case load, and we have been preparing for this.

Can I thank you very much indeed for your time? The transcript of this will be available on the website, uncorrected, in the next couple of days, and thank you to our colleagues at *Hansard*. We will be producing a Report, which is now likely to be in the autumn, just because of the timeframe for doing that. I thank you very much indeed.