



Department for Levelling Up,
Housing & Communities

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House of Commons
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Eddie Hughes MP
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Dear Clive,

LUHC COMMITTEE: EXEMPT ACCOMMODATION INQUIRY

I am writing to you about the Levelling Up, Housing and Communities Committee inquiry into Exempt Accommodation, announced on 7 December 2021.

I have a strong personal interest in improving the quality of exempt accommodation, and I am determined to tackle problems in the sector, whilst encouraging high-quality supported housing providers. I welcome this inquiry and the attention of the Committee on this issue. My officials in the Department for Levelling Up, Housing and Communities have been working with local authorities and others, including the Department for Work and Pensions, on the quality of exempt accommodation for some time.

We know there are many responsible providers in this country who are providing high-quality support for their residents. We need these responsible, high-quality providers to continue to operate successfully so that people who need supported housing receive the accommodation they need to live comfortably and independently. However, we are also aware of serious issues with some rogue providers, who are benefitting from taxpayers' money without providing sufficient support for residents. In tackling the problems with rogue providers, our response must take into account the need to maintain supply of the right type of supported accommodation to meet the needs of vulnerable people, including older people and those with disabilities.

The supported housing sector is complex, with over 550,000 units of accommodation estimated in England in 2015, supplied by a mixture of landlords using different sources of capital. Many, but not all, charge regulated rents. Reforms affecting supported housing must be very carefully considered to ensure that there are no unintended consequences, in particular for supported housing tenants who rely on these schemes to maintain their independence. The situation is further complicated as housing policy is a devolved matter for the Scottish and Welsh Governments, whereas financial support with housing costs provided through the welfare system, such as Housing Benefit, is a reserved matter and therefore UK-wide.

I would like to be clear about the definition of exempt accommodation. The supported housing sector includes a wide range of residents and types of accommodation, delivered by different landlords including Registered Providers, Local Authorities, Charities and voluntary non-profit organisations. The term “exempt accommodation” refers to a subset of supported housing defined in Housing Benefit legislation¹ as *“accommodation which is provided by a county council, housing association, registered charity or voluntary organisation where that body, or person acting on their behalf, provides the claimant with care, support or supervision”*.

However, it appears that for some, ‘exempt accommodation’ is becoming increasingly synonymous with accommodation that is:

- Not commissioned by the Local Authority to provide support services.
- Leased by social providers from private rental sector landlords.
- Considered expensive by Local Authorities.
- Not providing quality support services.

As soon as problems with exempt accommodation were identified, the Government took action. Reports first emerged in Birmingham, brought to light by the Housing and Communities Research Group working with Birmingham Safeguarding Adults Board and Spring Housing (set out in two reports in late 2018² and November 2019³). Officials took this up with Birmingham City Council, Commonweal Housing and other stakeholders in order to build an understanding of the issues, including the scale of the problem, the drivers for growth and the impact on residents and local communities.

Ministers and officials from my department have met parliamentarians to discuss this issue, answer questions and listen to concerns.

My department and the Department for Work and Pensions jointly published the Supported Housing National Statement of Expectations⁴ in October 2020. The National Statement of Expectations sets out the Government’s vision for ways of working in the sector and recommendations for minimum standards in accommodation

The National Statement of Expectations is aimed at local authorities, commissioners of supported housing and housing providers. As well as setting out guidance on planning effectively to meet demand it provides supported housing landlords with accommodation standards and guidance on delivering supported housing that is good quality and value for money.

The National Statement of Expectations is designed to sit alongside existing regulation for housing providers, such as the regulatory standards for landlords registered with the Regulator of Social Housing and complements existing statutory duties on local authorities

¹ Paragraph 4(10) of Schedule 3 to the Housing Benefit and Council Tax Benefit (Consequential Provisions) Regulations 2006.

² Risk, Safety and Wellbeing in Shared ‘Exempt’ Accommodation in Birmingham, England, Thea Raisbeck, September 2018 <https://www.bsab.org/download/downloads/id/99/exempt-accommodation-in-birmingham-report.pdf>

³ Exempt from Responsibility? Ending Social Injustice in Exempt Accommodation – Research and Feasibility Report for Commonweal Housing, Spring Housing, September 2019 <https://www.commonwealhousing.org.uk/static/uploads/2019/11/Exempt-from-Responsibility-Full-Report-November-2019.pdf>

⁴ Supported Housing: National Statement of Expectations, DLUHC, 20 October 2020 <https://www.gov.uk/government/publications/supported-housing-national-statement-of-expectations/supported-housing-national-statement-of-expectations>

relating to people living in housing with care and support, in particular duties under the Care Act 2014.

Feedback from the sector on the National Statement of Expectations has been positive, and it is being used by both councils and supported housing providers. Birmingham City Council, for example, has built on the National Statement of Expectations by launching a Charter of Rights for exempt supported housing.

My department took further action by funding five local authority areas, selected from a pool of local authorities who had identified issues with exempt accommodation and demonstrated a commitment to tackle the problem.

£3 million was allocated to improve quality, enforcement, oversight and value for money in supported housing, focusing on exempt accommodation in five local authorities: Birmingham, Hull, Blackpool, Bristol and Blackburn with Darwen. The intervention of the COVID-19 pandemic meant that the authorities were not always able to do as much as they originally intended, and the Government needed stronger evidence of which enforcement activities were most effective. The pilots programme was due to end in March 2021, but on 19 March 2021 I announced a six-month extension, with an additional £2.3 million funding, for four of the local authorities (Hull, Birmingham, Blackpool and Blackburn with Darwen).

It was important that some core issues were addressed by the pilots. From our engagement with stakeholders, it was clear that they needed to examine:

- Scrutiny of accommodation costs in Housing Benefit claims
- The quality of the accommodation being used
- The supply and need for supported housing in the area
- The support service being provided to vulnerable tenants

Beyond the core activity, each pilot was asked to design their programme to meet the specific needs in their area, which were varied. The pilot areas made good progress in the initial pilot phase, however the impact of the COVID-19 pandemic meant that opportunities to work face-to-face with tenants and make inspections of supported housing schemes were limited. The extension of the pilots in four of the five areas, announced on 19 March 2021, enabled the local authorities to build on the early activity and go further by:

- Carrying out enforcement interventions to improve accommodation standards, collecting data on the longer-term impact of the pilots and following up where poor standards had been identified;
- Undertaking support reviews, collecting data on the impact on the quality of the service and following up where issues had been identified;
- Continuing with housing benefit scrutiny;
- Developing forward looking strategic plans for short-term supported housing; and
- Developing approaches to managing local supply of supported housing, based on the local authority's understanding of local need, assessing and challenging new providers in the local supported housing sector and developing a market position statement to encourage investment to meet identified need.

The funded activity concluded at the end of September 2021. However, we continue to engage with the pilot areas and are working with them on best practice emerging from the pilots. There has been ongoing monitoring of the pilots by an independent monitoring team.

They will conclude their full evaluation shortly which will help to inform our substantive response to this issue.

We continue to work closely with DWP and DHSC on both the quality and supply of all types of supported housing. My officials and I will provide any assistance which you may require during the inquiry and will follow the proceedings with interest.

I look forward to receiving the findings and recommendations of the Committee.

Yours ever,

A handwritten signature in blue ink, appearing to read 'E. Hughes', with a stylized flourish at the end.

EDDIE HUGHES MP