

Written evidence submitted by London Councils

1. London Councils is the collective of local government in London. Shared ambitions are developed, agreed, championed, and delivered at London Councils by members working together. Through London Councils, boroughs speak as one and collaborate with the government, the Mayor of London, wider public sector, third sector, business community and other key UK and international cities.

Background

2. Support housing (or exempt accommodation) is exempt from certain benefit provisions and means that higher payments can be made to providers than is ordinarily the case. This is based on the additional provision of care or supervision to residents by the landlord. Exempt accommodation grew in scale following the withdrawal of ringfenced Supported People funding in the late 2000s.
 - 2.1 Exempt accommodation includes hostels, refuges, group homes, supported living schemes and sheltered housing. It is intended for people with support needs such as homeless people, people with mental health needs, people with drug misuse issues, prison leavers, care leavers and those who have experienced domestic abuse. These groups tend to have more difficulty in finding suitable housing (including when requiring health support), a trend that is exacerbated by constrained housing supply. There is a national shortage of supported housing and social housing more generally.

Responsibilities for support housing

3. Supported accommodation can be run by a variety of landlords and organisations and is not subject to a single regulator or set of national regulations. If a housing association is the provider, they are registered with the Regulator for Social Housing and regulated by its framework. If the provider is not a registered social landlord, neither the Regulator of Social Housing nor local authorities can prevent the establishment of new schemes, regulate standards or take action against low quality housing and services.

Quality of the data available on supported housing

4. The number of people in the UK housed in exempt accommodation is estimated to be around 150,000 households however the evidence base on the scale of the issue is incomplete and difficult to quantify. The lack of data on the number of homes judged to be poor quality and inconsistent records of providers are some of the primary drivers behind the Supported Housing (Regulatory Oversight) Bill.

Oversight on supported housing

5. There are well-publicised concerns that some providers are abusing the system by buying or leasing large houses to sub-convert into multiple units of accommodation, to make greater profits at the expense of the public purse, while providing housing and support services to residents that could be deemed unacceptable.

Local government spending on supported housing

6. Exempt accommodation can have a considerable impact on local authority budgets. Local authorities, through their benefits departments, pay 40% of costs where providers are not Registered Providers. Research by Inside Housing has shown that Lambeth paid £26 million in such costs in 2021-22, Kensington and Chelsea £15 million, Enfield £14 million and Hammersmith and Fulham £12 million

The regulation of supported housing and proposed government action

7. London Councils has welcomed the intention of the Supported Housing (Regulatory Oversight) Bill to raise standards in the supported housing accommodation sector and supports the intent of provisions for new licensing and enforcement powers for local authorities.
 - 7.1 London Councils is concerned that the Bill will introduce significant new duties on local authorities including in relation to regulatory oversight, strategy development and homelessness duties. The government has committed to a new burdens assessment which will consider the costs of increased activity for local authorities, including writing new supported housing strategies, local needs assessments and licensing powers. This funding must fully cover the costs of these resource intensive and complex new responsibilities for councils. The new burdens assessment and its outcome are due to take place after the Bill is expected to pass into law.
 - 7.2 London boroughs have few effective powers to ensure existing exempt accommodation provides good housing and support services to residents. There are significant challenges with bringing forward new supported housing developments, with anecdotal evidence that existing schemes are increasingly struggling to remain financially viable. Local authorities have a strong interest in new schemes being established and fully supported through revenue funding to meet the costs of accommodation and support. London Councils is particularly concerned about the conversion of houses into multiple-occupancy schemes where support, care and supervision can be minimal and very high rents charged.
 - 7.3 In addition to a significant new burdens settlement, London Councils has also called for detailed guidance on implementing new responsibilities, sufficient time to respond to consultations on the regulations and to prepare for the new licensing regime, and clarification on whether all individual local authority licensing schemes will require sign-off by the Secretary of State.
 - 7.4 The government should also consider requiring all providers to become Registered Providers, subject to regulation by the Regulator of Social Housing and/or the Care Quality Commission. This could support local authorities in their licensing and enforcement functions.
 - 7.5 The legislation and subsequent regulations may also have an impact on the supply of supported housing. There is a dire need to bring forward more high-quality supported accommodation with housing, care and support. While standards need to be raised within parts of the sector, it must be done in a way that does not lead to a considerable number of good quality providers, such as smaller charities and faith-based organisations, suddenly withdrawing from the market and leaving a gap which local authorities are unable to fill. Consideration needs to be given to minimising the impact of new legislation on good providers.
 - 7.6 The government should also consider establishing dedicated funding streams for local authorities to distribute to supported housing schemes with the aim of covering the revenue costs of services which could unlock greater and more sustainable supported housing supply. Ongoing budgets to cover the revenue funding of existing schemes would also help to improve

quality and better support their maintenance. Dedicated longer-term funding streams would also equip local authorities with the tools and capacity to retain, sustainably develop and commission the supported housing accommodation services they know are needed in their area.

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