

## **Homeless Link's response to the House of Commons Levelling Up, Housing and Communities Committee inquiry into exempt accommodation.**

**February 2022**

Homeless Link is the national membership charity for frontline homelessness agencies. With over 900 members, we work to improve services and campaign for policy change that will help end homelessness and ensure that everyone has a place to call home and the support they need to keep it.

This response is based on consultation and insight gathered through our member engagement. We have collected views through a dedicated information gathering exercise, and through our standard forums for intelligence gathering across our membership.

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

- Homeless Link members represent both providers of exempt accommodation and local authorities who make use of exempt provision and there is a significant mix in quality of exempt accommodation provided in their local area, ranging from very high quality to extremely poor quality.
- Members did state that in their experience most exempt accommodation ranged from “satisfactory to good” highlighting valued support and an ability to be flexible and responsive to need that isn't possible in other forms of accommodation provision.
- Members that are providers of exempt accommodation demonstrated pride in the provision they deliver stating they set their own high standards, and that they set out to provide accommodation that is “safe, secure and of a high quality for people experiencing homelessness”.
- The responsiveness and flexibility afforded by the exempt accommodation model was also highlighted by members who state that it allows them to provide services in accordance with the needs of the service user, and to respond to the needs of those experiencing homelessness who might not be entitled to statutory provision of accommodation or who might not be prioritised within a local authority strategy. One example given was dedicated support for people leaving prison with No Fixed Abode which they were able to provide specific support for despite not being a specific part of their local authority strategy.
- However members did speak to the poor quality end of the exempt accommodation provided, reporting that in some instances accommodation represented “squalid living conditions”. This was particularly attributed to non-commissioned, for-profit providers who are perceived to be taking advantage of the funding model. Of this type of provision members spoke specifically of concerns around lack of, or inadequate, support.

- Insight from Homeless Link members also spoke to the need to separate out quality of building or property, from quality of support provided with awareness some landlords prioritise investment in one over the other.
- Homeless Link members raised concerns that they felt that the reputation and potential of good quality exempt accommodation being delivered by experienced providers who are committed to quality standards was being undermined by “unscrupulous landlords” looking to take advantage of profiteering within the sector.

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

- Homeless Link members who are providers of exempt accommodation speak favourably about the current funding model and in general believe it to represent value for money.
- Members told us that they feel that the current funding approach recognises that exempt accommodation, as provided typically for those with very limited general needs housing options, is inherently more costly than housing in general. Those accommodated through exempt accommodation providers include those with multiple and complex needs, and who may have higher levels of vulnerability.
- Providers deliver a wide range of additional support services that can include 24hr support staffing, housing management, move-on support services, as well as building maintenance and safety services.
- The exempt status allows for providers to pay for the staffing and resources required to deliver a high quality and safe service. As one member state: “The exempt model allows the provision of accommodation for those with support needs that need a higher level of supervision and housing management. Without the exemption from rent caps we would not be able to put in place the levels of staffing required to ensure the safety and security of those living.”
- Members consulted reported that it would not be financially viable to provide the level of provision and support to those experiencing homelessness that they are accommodating if they were not funded through exempt status. In particular members raised concerns that if the funding model was to shift to Universal Credit that it could lead to significant organisational risk and an inability to provide supported accommodation.
- A Homeless Link member based in the East Midlands who delivers a mix of commissioned and non-commissioned accommodation opened a new supported accommodation scheme under the Rough Sleeper Next Step Accommodation Programme (NASP). The Capital element was provided through organisational funds and supported by grant from the local authority right to buy receipts. It provides move on for rough sleepers stuck in temporary accommodation who would not be able to live in the community independently due to either the level of supervision required to ensure their own safety, or because of their vulnerability from others. Through eligible service charges, we are able to provide 24 hours staffing to manage the building, while still allowing the residents to have a high level of independence (all have self-contained studios). This is only possible due to our ability to claim higher rents as an exempt provider. Housing-related Support to help the individual to maintain their tenancy is provided in addition and funded through the NSAP.
- However members also identified concerns of an increase in for-profit providers who may look to take advantage of the current funding model, providing poor quality provision with

little to no supported element. There was strong opinion that the for-profit element required greater scrutiny.

- Based on responses from members Homeless Link believes that in many cases exempt accommodation does present good value for money but that the current model allows too much variation in the quality of provision available, and loopholes exist that are exploited by unscrupulous providers.

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

- Homeless Link is aware that certain areas of the country have raised particular concerns related to problematic exempt accommodation. Members in Birmingham and the West Midlands have been highlighting challenges related to poor quality supported accommodation for an extended period of time.
- Members have informed us that exempt accommodation is being used regularly in most local areas now, and that across the country they are starting to see an increase in use, and an increase in potential poor quality provision.
- However more broadly across England we have not observed or been informed by our members of any other consistent regional patterns of either poor quality or examples of consistent good quality exempt accommodation.

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

- Homeless Link are not aware of data showing a full regional breakdown of exempt accommodation that is provided by registered compared to non-registered providers.
- The majority of members who responded to our consultation reported that they were registered providers, and concerns were raised that it is amongst the non-registered, unregulated providers where there is a greater proportion of poor quality provision.
- Members have informed us that exempt accommodation is being used regularly in most local areas now, and that across the country they are starting to see an increase in use, and an increase in potential poor quality provision.

**5. What is the proportion of exempt accommodation provided by commissioned compared to non-commissioned providers?**

- Again Homeless Link is not aware of data showing a full regional breakdown of exempt accommodation that is commissioned compared to non-commissioned providers. However amongst members who responded to our consultation all were at least partially funded through local authority commissioning.
- Members did highlight that reduced local authority spend, particularly after the Supporting People programme ended, has led to a reduction in commissioned provision with one member stating: "our local authority has decommissioned all of its own supported housing as it cannot claim back the full rent from DWP."
- In this context members felt that this demonstrates the value in the exempt accommodation model as part of sustainable funding models for delivering necessary and needed supported accommodation.

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

- Members consulted represent a mix of registered and non-registered providers, and commissioned and non-commissioned services. Despite this there is a general sense the poor quality exempt accommodation is overwhelmingly non-registered and non-commissioned. The lack of oversight and connection with the wider local homelessness infrastructure enables perceived profiteering landlords and providers to establish unsuitable forms of accommodation.
- There are considered to be a number of benefits to exempt accommodation providers being part of local authority commissioned provision in particular how it enables greater levels of joined up working between different providers and services. It also ensures synergy between housing strategies and direct connection with local authority strategic priorities and housing and homelessness pathways.
- Members also highlighted that it creates consistency with local level oversight and inspection meaning all providers are held to the same quality standards.
- However there were some considerations highlighted that spoke to the limitations of commissioned provision and the impact this may have on quality of offer. Members stated that commissioned services can be restrictive to the VCS as priorities and areas of focus are set by local authority strategy which may be slower to respond to changing needs. There were also concerns that contracts may include restraints that limit the support that the provider feels is appropriate and necessary such as conditionality on tenancy sustainment or fixed lengths of time that service users are able to remain accommodated before they are moved on.
- Members also mentioned the challenges of being constrained by local authority funding streams and how variable and time limited funding reduces investment in service provision including making long term capital investment difficult.
- For most Homeless Link members it is the importance of regulation and oversight rather than whether a service is commissioned or not that is of greatest important to ensuring good quality accommodation.

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

- The value of exempt accommodation is the ability for provision to respond to local need, adapting to a range of support needs and offering responsive and flexible care. It can be an invaluable option for people with support needs who are not in a position to move into mainstream accommodation.
- The supported accommodation pilots currently being undertaken will provide vital learning as to how exempt accommodation should be delivered. The learning from the pilot programme must be used to develop any strategy and associated framework to enable local area deliver good quality supported accommodation.
- There is a need for further research into what exempt accommodation should cost to provide, but this must recognise that costs will vary according to the level of support that is required, the local housing market and the financial model for individual schemes.
- Exempt rents and service charges can only meet the housing, management and eligible charge costs but it does not cover the cost of the support. Many Homeless Link members

are commissioned to deliver the support contracts and raise concerns around sufficient and consistent funding to ensure appropriate and adequate support.

- Any exploration of funding models must consider how to ensure the service cost enables not just the expected quality of property but also the necessary support provision.
- Strengthening local oversight and regulation with councils acting as a central point for all exempt accommodation would allow local authorities to proactively address quality and value for money concerns. Such a model would require additional resources at a local authority level to ensure sufficient capacity to maintain regulatory oversight.

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

- Homeless Link members have a varied view of who should hold the regulatory oversight of exempt accommodation with legitimate benefits and concerns raised about differing bodies.
- Members highlighted a need for any regulation to reflect the complexity and diversity of supported housing schemes. They also identified the role that locally driven priorities and strategies have on supported housing provision in a local area and the need for any regulation to reflect this.
- The most supported means of regulation from our members was either through the wider Local Authority (not the HB team) or through the Regulator of Social Housing.
- Those who favoured the Regulator of Social Housing highlighted that there is already a framework and remit for oversight over comparable housing stock and that it would be a seemingly natural extension of their role.
- However there were concerns that as this would likely only extend to registered providers it could risk pushing out many good quality non-registered providers within the VCS.
- Other members were in favour of local authority led regulation, supported by a national framework. There was a sense that good local knowledge was integral to understanding both of the local need amongst homelessness accommodation provision and who have the understanding to appreciate whether the standard of provision is acceptable in relation to locally set rates. As one member stated: “we also feel it is important that as we agree our supported housing rates with our LA's HB team, they have the greatest understanding of the requirements and suitability of our exempt accommodation”. In most cases providers identified that many local authorities have in place some form of monitoring to ensure quality standards.
- However there reflections that an independent regulator would provide greater consistency cross country and would reduce the risk of perceived influence on regulatory considerations as a result of shifting local authority priorities. Thus there was a sense that if local authorities were to provide regulation then this would need to be underpinned by a core national quality standard framework.
- There were concerns that regulation via the Housing Benefit teams would not be sufficient to understand and assess the quality of support provided and that this was as important to any regulation as building and property quality.
- Homeless Link believes that whilst regulation is a necessity to ensure exempt accommodation is fit for purpose further exploration is needed to ascertain the best model

of regulation that retains the benefits of the exempt accommodation sector that includes the flexibility of provision and the benefits brought to the sector through VCS providers, but that ensure consistent quality assessment and prevents the exploitation of the model that can occur.

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

- Homeless Link members were explicit that regulation for exempt accommodation must include both assessment of building or property quality *and* of the quality of support provided. Any regulatory framework must consider both of these elements fully providing associated core common standards. As per the [Kerslake Commission recommendation](#) consideration should be given as to whether this should align with a national accreditation requirement for providers.
- Regulation should provide a clear framework related to the spending of exempt accommodation rental income.
- There are a number of existing frameworks and regulatory processes that should be explored in the context of regulation of exempt accommodation.
- The Department for Education have recently [published their response](#) to the provision of supported housing for young people who are 16/17 year olds care leavers. Their approach using Ofsted lighter touch regulation for a younger age group has merit when considering quality and standards for the wider exempt supported housing sector.
- Through the Social Housing White Paper, the Government has committed to “Transform the consumer regulation role of the Regulator of Social Housing so it proactively monitors and drives landlords’ compliance with improved consumer standards.” Given that many of the issues with current exempt accommodation arise from consumer issues such as the standard of the accommodation and support provided and the impact of poorly managed exempt accommodation on communities, the Government should explore the potential of strengthening the Regulator’s role in relation to existing exempt accommodation as part of reforming the Regulator’s powers through the Social Housing White Paper.
- Local authority oversight should be strengthened enforced by a national quality framework but that allows for local areas to ensure provision meets local need, improve services for people and improve value for money. The requirement for council commissioning or approval of exempt accommodation would need to be reflected in Housing Benefit regulations.
- Council assessment of applications from providers for exempt accommodation status is in line with councils’ existing roles and there are already people in housing teams who carry out quality checks. In two-tier areas, this will involve close working with adult social services. There will of course be some resource implications for councils, which Government will need to fully fund, but these could be offset by the savings to the public purse from clamping down on unjustifiably high rents.

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

- Homeless Link members generally supported greater levels of information related to exempt accommodation.

- In particular they highlighted how this could support awareness of expected minimum standards amongst those accommodated in exempt accommodation allowing them to better advocate for change if provision is below acceptable standards.
- The Government's supported housing pilots demonstrate an example of this through work to further empower residents and improve their understanding, for example through the Charter of Rights that was developed in Birmingham by Spring Housing and co-designed with residents. We encourage the Government to share this learning with the wider sector and also to recognise that much of the pilots' work was only possible [due to the extra funding that the pilot councils received.](#)
- Strengthened local oversight and more effective regulation of exempt accommodation would result in a better understanding, including for people moving into and living in exempt accommodation to understand their rights, how to raise concerns, and receive appropriate and timely information to make informed decisions about their housing.