

Supported Housing Bill

Purpose of Report

For direction.

Summary

The Supported Housing Bill has now achieved Royal Assent. We are beginning to understand what the implications will be for local authorities and are in a crucial moment for influence as the government seeks pre-consultation views. This is a good opportunity to review the LGA stance on the supported housing sector as a whole – both local authority commissioned and non-commissioned services.

LGA Plan Theme: Putting people first

Recommendation

That the Board support updated policy lines on supported housing which aim to influence not only the implementation of the bill and regulation of non-commissioned accommodation, but also address the future funding and commissioning of supported housing in line with local strategies.

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Supported Housing Bill

Background

1. Supported housing is accommodation provided alongside support, supervision, or care to help people live as independently as possible in the community. Supported housing is available to groups such as:
 - 1.1. older people
 - 1.2. people with a learning disability
 - 1.3. people with a physical disability
 - 1.4. autistic people
 - 1.5. individuals and families at risk of or who have experienced homelessness
 - 1.6. people recovering from drug or alcohol dependence
 - 1.7. people with experience of the criminal justice system
 - 1.8. young people with a support need (such as care leavers or teenage parents)
 - 1.9. people with mental ill health
 - 1.10. people fleeing domestic abuse and their children

2. There isn't currently any reliable data on how many units of supported housing there are in England or how many people use or need supported housing. The homelessness charity Crisis estimated in a Freedom of Information request that in May 2021 there were 153,701 households in Great Britain in exempt accommodation: a 62% increase from 2016 to 2021. However, the lack of national central government data means it is impossible to validate that figure.

3. Supported accommodation is also difficult to define. The [National Audit Office found](#) that there are multiple definitions of supported housing, which are used interchangeably. There is a general understanding that more than minimal care, support or supervision must be provided, in addition to housing. A local authority assesses if care, support, or supervision is more than minimal but there are currently no specified national standards. Where other definitions exist, some are based on the people who live there, and others are based on Housing Benefit regulations. In practice, definitions are often used interchangeably. In particular, the term 'supported housing' is often used for a specific subset of supported housing known as 'exempt accommodation' and vice versa. The Department for Levelling Up, Housing & Communities (DLUHC) uses three categories of supported housing
 - 3.1. transitional or short-term (for example, hostels);
 - 3.2. specialised supported housing (long-term housing designed for people who need a high level of care);

- 3.3. sheltered housing and sheltered extra care (long-term housing mainly for older people with minimal or extra care needs)
4. The purpose of the new [Supported Housing \(Regulatory Oversight\) Bill](#) is to improve the regulation and oversight of 'supported exempt' housing. Supported exempt housing is a subset of supported housing which is exempt from the benefit cap and housing benefit limits in welfare regulations. Councils have been concerned for some time that an increasing number of exempt accommodation providers are falling short in providing good quality, personalised support for people in vulnerable circumstances. Issues have been identified with providers who deliver supported housing that is not commissioned or approved by a local authority as there are no contractual mechanisms for councils to quality assure and monitor standards.
5. The bill had its third reading in the House of Lords on June 16th and achieved royal assent on 29th June. The new bill will:
 - 5.1 require local authorities in England to review supported housing and develop local supported housing strategies
 - 5.2 create a national expert advisory panel to advise on matters related to supported housing
 - 5.3 introduce new national supported housing standards which define care, support and supervision
 - 5.4 give local authorities powers to create local licensing schemes for exempt accommodation
6. While we [welcome the measures](#) in the Bill which will improve conditions for residents with care and support needs, we have significant concerns about the capacity of councils' housing teams to undertake all the new responsibilities that are proposed. It will be vital for Government to fully fund the measures for them to be effective. The requirement to produce a Local Supported Housing Strategy, to gather and share information, and to operate licensing schemes will count as new burdens and will need to be funded as such. The government is currently suggesting that licensing schemes will be able to pay for themselves utilising license fees from providers and are only currently considering one off new burdens funding to implement the bill in 2025.
7. After speaking with local authorities, there are also some concerns around the seemingly discretionary nature of the licensing schemes in terms of an inconsistent approach nationally. A mandatory national scheme would ensure all councils could be adequately funded and supported to set up new teams and would stop poor providers from moving into unlicensed areas.

8. The bill proposes planning reform be considered after three years. Introducing a requirement for planning permission for exempt supported accommodation would help to further strengthen local oversight of new accommodation in an area by enabling a local planning authority to consider the need for supported exempt accommodation (as outlined in its supported housing strategy) when deciding whether to grant planning permission. We are concerned that these measures are not being considered sooner.
9. In anticipation of the new bill, the LGA have set up a Supported Housing Network comprised of more than 50 local authority experts from a range of regions and teams. The network has met twice with DLUHC to discuss the two most onerous elements of the bill (Local Supported Housing Strategies and the licensing of supported housing) and has already presented some questions and challenges directly to Government. This network will be a crucial source of information going forward.
10. While the bill addresses issues which have arisen with providers that are not commissioned by local authorities, it does not address the wider issues of funding within the sector which have contributed to the current landscape. Supported housing faces growing challenges and financial insecurity as local authorities are forced to consistently decrease their funding for non-statutory housing related support due to budget pressures. The distinction between commissioned and non-commissioned services are also becoming increasingly blurred as providers develop their own move-on pathways and deliver schemes that were previously commissioned by local authorities.
11. [According to new National Housing Federation research](#), if funding mechanisms for supported housing collapse or are withdrawn, the impact on rough sleeping, demand for residential care, psychiatric in-patient and prison places would be wholly unmanageable, especially as these services are already over-stretched. Therefore, as well as considering how supported accommodation can be better regulated, there is an opportunity to also consider how it should be funded.

Proposal

12. **Support a policy line around ring-fence funding for housing-related support to ensure spending at least matches the £1.6bn per year allocated to local authorities in England in 2010.** The new legislation will ensure local authorities will have a better understanding of the supported housing needs and provision in their area through the new requirement for Local Supported Housing Strategies. The bill, however, does not address the structural issues in the sector which have arisen from non-commissioned services flooding the market to fill gaps left by a reduction in funding for crucial housing support. New policy lines and a lobbying campaign around a “funding renaissance” for supported housing in the new climate could be timely. The LGA could

commission research conducted with local authorities that brings together the implications of the new bill with the possibility of saving money and delivering better services by renewing the focus on commissioning as opposed to becoming reliant on licensing. It is a better use of local authority resources to focus on commissioning services that meet local needs with regards to strategies, than to license non-commissioned services which adhere to national standards of care, support, and supervision.

13. **Support specific policy lines around implementation of the Supported Housing Bill.** We also propose utilisation of the new LGA Supported Housing Network to inform consultation around implementation of the bill which are subject to change alongside further engagement, but which currently include elements such as:
- 13.1 Encouraging mandatory national licensing as opposed to just giving local authority powers
 - 13.2 Considering revenue funding for administrative purposes so that local authorities are not dependent on licensing fees which may provide incentive to license as opposed to commission
 - 13.3 Considering planning reform earlier than the three-year mark to give local authorities greater control over spread of supported housing and ensure it meets local need as outlined in strategy
 - 13.4 Incorporating supported housing strategies into existing plans (e.g., housing strategy) to ease the administrative burden and ensure various plans are aligned
 - 13.5 Passporting licensing for commissioned services and considering a “hierarchy” of licensing e.g., if a young persons’ scheme has passed an OFSTED inspection, it does not require a supported housing license
14. It would be useful for the Board to discuss anything else they believe we should be considering to ensure the bill is implemented in a way that works for councils, makes as much positive change as possible to residents, and considers service, capacity, and budget pressures.

Implications for Wales

15. No implications for Wales – applicable to England only.

Financial Implications

16. So far there are no financial implications for the LGA as all work up until now has been achieved in house through the work of policy officers. There may be an opportunity in the future to produce guidance and share best practice which may require procurement and commissioning. Depending on the conversations at board, we may decide there is

a gap in research for showing the benefits of properly funded supported housing for local authority budgets and outcomes.

17. The financial implications for councils are potentially significant. Spending on temporary accommodation has [increased by 61%](#) in the last five years (a total of £1.6billion nationally last year) and will continue to increase if the supported accommodation sector - both commissioned and non-commissioned – is squeezed due to a combination of new legislation and insufficient funding. The loss of the £300million Housing Transformation Fund is also a significant concern for councils who intended to use this money to strengthen partnerships between housing and social care to lessen the impact on already stretched social care services.

Equalities implications

18. Supported accommodation serves many marginalised and vulnerable groups and is crucial for preventing them from becoming homeless, being hospitalised, institutionalised, dependent on care, or a victim of violence. Without an adequately funded, regulated, and supported sector there is a significant risk to adults and families who require care or support with housing attached. Good quality supported housing can increase an individual's quality of life exponentially by helping them towards independence in a way that is planned and meets their specific needs. Without this safety net, households may find themselves in crisis, having to rely on emergency accommodation, housing that isn't suitable for their age-related medical needs, longer stays in hospital or even street homelessness.

Next steps

19. Utilise the pre-consultation engagement period to influence the implementation of the bill and ensure it meets council, provider, and resident needs without further compromising capacity and resources.
20. Consider the future of supported accommodation and how LGA can best contribute towards a funding landscape that doesn't increase numbers in temporary accommodation, hospitals, prisons, care homes etc.