



National Audit Office



REPORT

Investigation into supported housing

Department for Levelling Up, Housing & Communities,
Department for Work & Pensions

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Investigation into supported housing

Department for Levelling Up, Housing & Communities,
Department for Work & Pensions

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

4 May 2023

Investigations

We conduct investigations to establish the underlying facts in circumstances where concerns have been raised with us, or in response to intelligence that we have gathered through our wider work.

This investigation was prepared in response to correspondence from members of Parliament raising concerns about short-term supported housing which is exempt from locally set caps on Housing Benefit.

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What this investigation is about

1 Supported housing is accommodation that is provided alongside support, supervision or care to help people with specific needs to live as independently as possible in the community. This includes, for example, older people, people with a learning disability, people with a physical disability, people at risk of or who have experienced homelessness, or people recovering from drug or alcohol dependence. Supported housing can be short term or long-term, depending on a person's needs. There are no good data on the numbers of units of and people living in supported housing. However, a government review in 2016 estimated that in 2015 there were 651,000 supported homes (a room or bedspace in shared supported housing or a self-contained home) in Great Britain (85% of which are in England). The review estimated that the government spent around £3.5 billion in England per year on the accommodation element of supported housing through Housing Benefit.

2 The Department for Work & Pensions (DWP) reimburses local authorities for paying Housing Benefit claims and sets Housing Benefit policy. The Department for Levelling Up, Housing & Communities (DLUHC) is responsible for the supply and quality of supported housing. The Department of Health & Social Care (DHSC) develops policies that aim to give more people the choice to live independently and healthily in their own homes for longer. Other government organisations also have a role with certain groups of people, for example, the Department for Education for young people leaving the care system. Local authorities are responsible for managing Housing Benefit claims and inspecting supported housing.

3 There has been considerable criticism of some supported housing, in particular, short-term supported housing. Some types of supported housing are exempt from locally set caps on Housing Benefit which means providers can charge high rents. This type of exempt accommodation was the subject of an inquiry in 2022 by the Committee for Levelling up, Housing & Communities (the Committee). The Committee concluded that some residents' experiences of exempt accommodation were 'beyond disgraceful'. The Committee also noted the lack of regulation and governance of providers, and 'the exploitation of the system by people seeking to make profit from it'.

4 This investigation sets out the facts on how the supported housing system in England works and government oversight of the sector. It outlines:

- the types of supported housing;
- central and local government spending on supported housing;
- the numbers of people living in supported housing;
- the central and local oversight;
- the regulation; and
- the government's current and proposed actions to improve supported housing.

5 This investigation was prepared in response to correspondence from members of Parliament raising concerns about short-term supported housing. It does not examine in detail central government's efforts to increase the supply of supported housing or look at the quality of care provided in supported housing. This report does not seek to examine and report on the value for money of supported housing or make any recommendations.

Summary

Key findings

Types of supported housing

6 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 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: transitional or short-term (for example, hostels); specialised supported housing (long-term housing designed for people who need a high level of care); and sheltered housing and sheltered extra care (long-term housing mainly for older people with minimal or extra care needs) (paragraph 1.4 and Figure 1).

7 Some types of supported housing are exempt from locally set caps on Housing Benefit. The Department for Work & Pensions (DWP) uses the term 'specified accommodation' to describe supported housing that is paid for with Housing Benefit rather than Universal Credit. The main type of specified accommodation is 'exempt' accommodation which is exempt from locally set caps on Housing Benefit (paragraph 1.5).

Oversight and regulation of supported housing

8 Responsibilities for supported housing are spread across central government.

No one organisation is fully responsible for overseeing and coordinating the supply, quality, and funding of supported housing. DWP is responsible for Housing Benefit and sets Housing Benefit policy. DLUHC is responsible for the supply and quality of supported housing. Local authorities manage Housing Benefit claims and inspect supported housing. The Department of Health & Social Care (DHSC) develops policies that aim to give more people the choice to live independently and healthily in their own homes for longer. Other government organisations also have a role with certain groups of people, for example, the Department for Education for young people leaving the care system. DLUHC, with DWP and DHSC, has created the Supported Housing Programme Board to help coordinate the work of DLUHC, DWP and DHSC to improve the supply, quality and value for money of supported housing (paragraph 2.3 and Figure 3).

9 Local authorities can inspect properties and challenge the housing costs claimed but may lack the resources for this oversight.

Local authorities have powers to inspect all rented homes to check for hazards, using the housing health and safety rating system. They can also use inspections to understand the quality of accommodation and support provided. They assess Housing Benefit claims to see if the support is more than minimal. However, some local authorities have told DLUHC that their limited resources constrain the number of inspections they can do. They have also reported that they are sometimes reluctant to challenge Housing Benefit claims because of the time and cost of legal proceedings, and of the potential negative impact on the person whose claim they are challenging (paragraph 2.4).

10 There are gaps in regulation and some providers of supported housing have less scrutiny.

The Regulator of Social Housing is responsible for regulating providers of social housing registered with it. Its remit only covers the providers' homes that are social housing. Not all providers are required to register with the Regulator of Social Housing, however, registration is mandatory for local authorities providing social housing. The Regulator of Social Housing reported in 2021-22 that 509,406 units of supported housing were classed as social housing, around 12% of all registered social housing in England. Other regulators cover some elements of other providers of supported housing. For example, the Charity Commission regulates charities, but it does not inspect the quality of supported housing. The Care Quality Commission does not inspect the quality of the accommodation and focuses on personal care. The Regulator of Community Interest Companies is 'light touch' and mainly focuses on whether registered members meet the criteria for community interest companies (paragraphs 2.7 to 2.9 and Figure 4).

Short-term exempt accommodation

11 There are well known concerns with the quality and value for money of some short-term exempt accommodation. Exempt accommodation can provide much-needed homes and support including for people recovering from drug or alcohol dependence; at risk of or transitioning to or from homelessness; or on release from the criminal justice system. However, some areas, such as Birmingham, have seen increasing numbers of landlords who circumvent the regulations, enabling them to profit by providing costly sub-standard housing with little or no support, supervision or care. Hull City Council reported to the Committee for Levelling Up, Housing & Communities (the Committee) that in the 345 supported housing units it inspected between April 2019 and January 2022, it found 323 hazards classed as a serious and immediate risk to a person's health and safety. The Committee reported hearing of "people with a history of substance misuse being housed with drug dealers, and of survivors of domestic abuse being housed with perpetrators of such abuse". Poor-quality exempt accommodation can have a negative impact on the resident's quality of life and may not give vulnerable people the environment and support that they need (paragraphs 2.2, 2.10 to 2.12).

12 There is a lack of data on exempt accommodation which makes it difficult to assess the scale of the problem. The homelessness charity Crisis estimated that in May 2021 there were 153,701 households in Great Britain in exempt accommodation; a 62% increase from 2016 to 2021.¹ However, the lack of national central government data means we have been unable to validate this figure (paragraph 2.13).

Demand for and supply of supported housing

13 DLUHC does not expect to meet its targets for building new supported homes. DLUHC and DHSC provide capital funding to housing providers to increase the supply of new supported housing. DHSC runs the Care and Support Specialised Housing Fund, which has £51 million of funding for 2022-23 and £71 million of funding for 2023-24 and 2024-25. Our report on the DLUHC-run Affordable Homes Programme found mixed progress in delivering new supported housing. As at March 2022, the 2015 and 2016 iterations of the programme had provided around 12,000 new supported homes outside London (there were no targets set). However, as at May 2022, DLUHC did not expect to meet its targets of 15,700 to 16,500 new supported housing units under the 2021 iteration of the programme. In England, Homes England had allocated funding for 8,471 new supported homes against a target of between 12,200 and 13,000. The Greater London Authority had allocated funding for 325 new supported homes in London, against a target of 3,500. DLUHC does not currently know or routinely try to estimate the demand for supported housing (paragraphs 2.14 and 2.16).

¹ This figure is taken from data supplied to Crisis by DWP in response to a Crisis Freedom of Information request in September 2021.

System of funding

14 Some local authorities are experiencing increasing shortfalls in their funding because of how the Housing Benefit system works. Local authorities pay Housing Benefit for specified supported housing, in most cases, directly to the provider. DWP reimburses local authorities for these payments in line with the Housing Benefit subsidy rules which are set out in legislation. In some cases, the rules mean that the amount of subsidy paid to the local authority may be restricted. If the housing provider is registered with the Regulator of Social Housing, DWP reimburses the full amount. If the housing provider is not registered, then the local authority can claim 100% of the amount of a rent officer determination for such a property (this determination is based on similar properties in the area and can be lower than the rent that providers ask for). If the resident is classed as ‘vulnerable’, the local authority can claim a further 60% of the amount above the rent officer determination.² Therefore, local authorities experience a gap in subsidy from DWP of 40% above rent officer determination for particular vulnerable groups, and 100% above this determination, for other residents. The gap in funding is referred to as ‘subsidy loss’. Some, but not all, local authorities experience a high subsidy loss and told us it can have a substantial impact on their budgets. Local authorities in England experienced a subsidy loss of £108 million (in cash terms) in 2021-22 compared with £53.8 million in 2017-18 (paragraphs 2.17 and 2.18).

Data

15 Central government has limited national data on supported housing. DWP and DLUHC do not routinely collect data at a national level on the numbers of all people in supported housing or the numbers of units of supported housing. While DWP collects data from local authorities, this does not include people living in supported housing who are not in receipt of Housing Benefit. The most comprehensive national picture of supported housing is from DWP and DLUHC’s (then the Department for Communities & Local Government) joint review in 2016, for which they gathered data from local authorities using a survey. However, just under half (197 of the 407 of local authorities surveyed across England, Wales and Scotland) provided a response. Since the introduction of the ‘specified accommodation’ definition in Housing Benefit regulations in 2014, DWP has required local authorities to regularly collect data on specified accommodation cases that are paid through Housing Benefit. DWP’s data reporting system enabled local authorities to report if a claim was for exempt accommodation, however, DWP found that local authorities reported supported housing data inconsistently. To improve the data, from April 2022, DWP required local authorities to identify and to record if a claim is for specified accommodation and if so, the type. DWP accepts that this new requirement will only gradually improve data quality as new claims are made. Therefore, in March 2023 it provided local authorities with £4.79 million of funding to review all their existing Housing Benefit claims to identify and record if claims are for specified accommodation and, if so, what type (paragraphs 2.19 to 2.21).

2 The definition for vulnerable in this case is a resident that is: 60 and over; incapable of work; or with a child.

16 DLUHC is aware of the limits of the available data and has commissioned research to provide an up-to-date understanding of the supported housing sector in England. The research intends to focus on the size and composition of the sector, costs, current and future supply and demand, the interaction between commissioners and housing providers, and how to improve monitoring. DWP has provided funding to extend the research to cover Scotland and Wales. The research is due to be finalised by November 2023 (paragraph 2.22).

Government's actions to improve supported housing

17 DLUHC is aware of the issues with supported housing and has run pilots to support local authorities. Between September 2020 and October 2021, DLUHC ran pilots to help local authorities deal with problems with supported housing in their areas. DLUHC provided £5.4 million to local authorities in Birmingham, Blackburn with Darwen, Blackpool, Bristol and Hull to test enforcement measures to improve quality and value for money in supported housing. Local authorities reported that the pilots improved the quality of support for residents, and reduced the numbers of Housing Benefit claims deemed 'illegitimate' or 'unreasonable', for example with rents higher than usual for that type of accommodation. They achieved this by improving how they reviewed people's support and greater scrutiny of Housing Benefit (paragraphs 3.2 and 3.3).

18 In June 2021, DLUHC, with DWP and DHSC, created the Supported Housing Programme Board to try to address problems with quality, value for money, supply and viability. In March 2022, the Parliamentary Under Secretary for Rough Sleeping and Housing announced several commitments to improve supported housing. These plans intended to deal with "a minority of landlords who charge high rents for poor quality accommodation with little or no support". These commitments included setting minimum standards of support; new powers to local authorities for them to manage their local supported housing market; changes to Housing Benefit regulations to seek to define care, support or supervision; and introducing the Supported Housing Improvement Programme (paragraph 3.4).

19 In June 2022, Bob Blackman MP laid a Private Members Bill on supported housing, which government supports overall. The Bill has additional measures to DLUHC's plans as set out in the March 2022 statement. The Bill is mainly concerned with specified housing rather than wider supported housing. It does not include reform to Housing Benefit rules. The key proposals are to:

- require local authorities to review exempt housing in their areas and develop strategies;
- give local authorities powers to create licensing schemes for exempt accommodation, although this is not a statutory requirement (and allows the Secretary of State to designate areas for licensing); and
- develop national standards for support (paragraph 3.5 and Figure 5).

20 DLUHC expects the Bill to come into force by summer 2023 but as at March 2023, it had yet to establish how it will support local authorities to implement the new duties that the Bill will introduce. However, DLUHC told us that it was committed to a full consultation ahead of any measures affecting local authorities coming into force. It has also committed to assessing whether additional funding (new burdens funding) for local authorities is needed. DLUHC was also still deciding some of the details of how the Bill will work in practice. However, it told us that it will consult fully on the detail of measures brought forward by the Bill including support standards, licensing schemes and additional enforcement measures. DWP noted its commitment to consult on linking licensing and support standards in Housing Benefit regulations. Some local authorities have told us that they are positive about the changes the Bill will bring, but more funding will be needed if it is to be effective (paragraph 3.6).

Part One

How supported housing works

1.1 This section of the report provides an overview of:

- the types of supported housing, who provides supported housing, and how people can access it; and
- how much central and local government spends on supported housing.

1.2 Supported housing is accommodation that is provided alongside support, supervision, or care to help people with specific needs to live as independently as possible in the community. This includes, for example, older people; people with a learning disability; individuals and families at risk of or who have experienced homelessness; survivors of domestic abuse and their children and people recovering from drug or alcohol dependence. There is no good data on the numbers of units of supported housing and people living in supported housing. However, a government review in 2016 estimated that in 2015 there were 651,000 supported homes (a room or bedspace in shared supported housing or a self-contained home) in Great Britain (85% of which are in England).

1.3 Supported housing is provided by housing associations, local authorities, and voluntary or charitable organisations that are usually not-for-profit. However, some private 'for profit' organisations provide supported housing. Some supported housing schemes have complex models where landlords lease buildings to managing agencies and subcontract or commission support services to other organisations.

1.4 There are several types of supported housing (**Figure 1** on pages 13 and 14). However, there is no single agreed definition of supported housing although there is a general understanding that more than minimal care, support or supervision must be provided as well as accommodation.³ Some definitions of supported housing are based on the people who live in supported housing, others are based on Housing Benefit regulations. As a result, definitions are often used interchangeably. In particular, the broader term of supported housing is often used for a specific type of supported housing known as 'exempt accommodation' and vice versa. The limited data available indicate that there were more than half a million supported housing units in England in 2015.

³ The local authority assesses what is 'more than minimal' but there are no specified standards.

Figure 1
Types of supported housing in England

There are three main types of supported housing

Type	Transitional or short-term	Specialised supported housing	Sheltered accommodation and sheltered extra care
Description	Short-term accommodation, such as hostels and single room occupancy.	Long-term accommodation that has been designed, structurally altered or refurbished to help residents who need specialised services to live independently within the community.	Long-term accommodation in self-contained properties often grouped in small complexes and with scheme managers or wardens.
Support	'More than minimal' level of support and supervision.	High level of care, support or supervision provided including help with day-to-day activities.	Residents living in sheltered accommodation usually have minimal-care needs. Residents living in sheltered extra care accommodation need more care.
Who can access it?	People in crisis such as: <ul style="list-style-type: none"> ● survivors of domestic abuse and their children; ● people with drug/alcohol dependencies; ● offenders and ex-offenders; ● vulnerable young people; and ● homeless people with support needs. 	People who need specialised services and support to help them to live independently within the community. ⁵ People for whom the appropriate alternative may be institutional type care such as care or nursing homes.	Older people with care needs helping them stay independent for longer. Sheltered accommodation is for people with lower-level support needs. Extra care accommodation is for older people with higher-level care and support requirements. ⁶
Who provides it?	Can be commissioned by local authorities or non-commissioned. ¹ Can be provided by: <ul style="list-style-type: none"> ● providers of social housing registered with the Regulator of Social Housing;² ● local authorities; ● community interest companies;³ ● charities; and ● providers of social housing not registered with the Regulator of Social Housing.⁴ 	Commissioned and tends to be provided by: <ul style="list-style-type: none"> ● providers of social housing registered with the Regulator of Social Housing; ● local authorities; and ● charities. 	Can be commissioned or non-commissioned and tends to be provided by: <ul style="list-style-type: none"> ● providers of social housing registered with the Regulator of Social Housing; ● local authorities; ● providers of social housing not registered with the Regulator of Social Housing; and ● provision by private/for profit companies.
How is it paid for?	Housing Benefit pays for rents and charges (some accommodation is exempt from locally set caps on Housing Benefit and is known as exempt accommodation).	Housing Benefit pays for rents and charges. Extra care is supplied by providers as care packages through adult social care services or paid for by the resident.	Housing Benefit pays for rents and charges. Extra care is supplied by providers as care packages through adult social care services or paid for by the resident.
Known challenges	Gaps in regulation. Growth in poorly managed and poor-quality non-commissioned accommodation.	Increasing demand for this accommodation. Accommodation and support are costly due to specialised nature.	Increasing demand for this accommodation.

Figure 1 *continued*

Types of supported housing in England

Notes

- 1 Commissioning is when local authorities plan, buy and monitor services from a third party.
- 2 Such as housing associations.
- 3 Limited companies that exist to benefit the community. Community interest companies and charities can be registered providers.
- 4 Such as non-registered housing associations.
- 5 For example, people with learning disabilities.
- 6 For whom the appropriate alternative may be a residential care home.
- 7 'Exempt accommodation' is a term based on Housing Benefit regulations and does not describe a type of accommodation. Exempt accommodation can be short term or long term.
- 8 The term 'short term exempt accommodation' is often used to describe transitional or short-term supported housing, but transitional or short-term supported housing can also include housing that is not exempt accommodation.
- 9 There are differences in the definitions of care, support or supervision. Care refers to the regulated activity of 'personal care' which includes physical help given to a person in eating and drinking, toileting, washing, dressing and so on. Support, care or supervision will vary to reflect the different needs of each resident and can vary from provider to provider. It can include help with day-to-day activities such as help with managing rent agreements.

Source: National Audit Office analysis of Department for Levelling Up, Housing & Communities documents and interviews

1.5 The Department for Work & Pensions (DWP) uses the term 'specified accommodation' to describe some types of supported housing that are paid for using Housing Benefit rather than Universal Credit. The main type of specified accommodation is 'exempt' accommodation which is exempt from locally set caps on Housing Benefit. This means that providers of supported housing can charge higher rents than for other types of housing.

How supported housing works

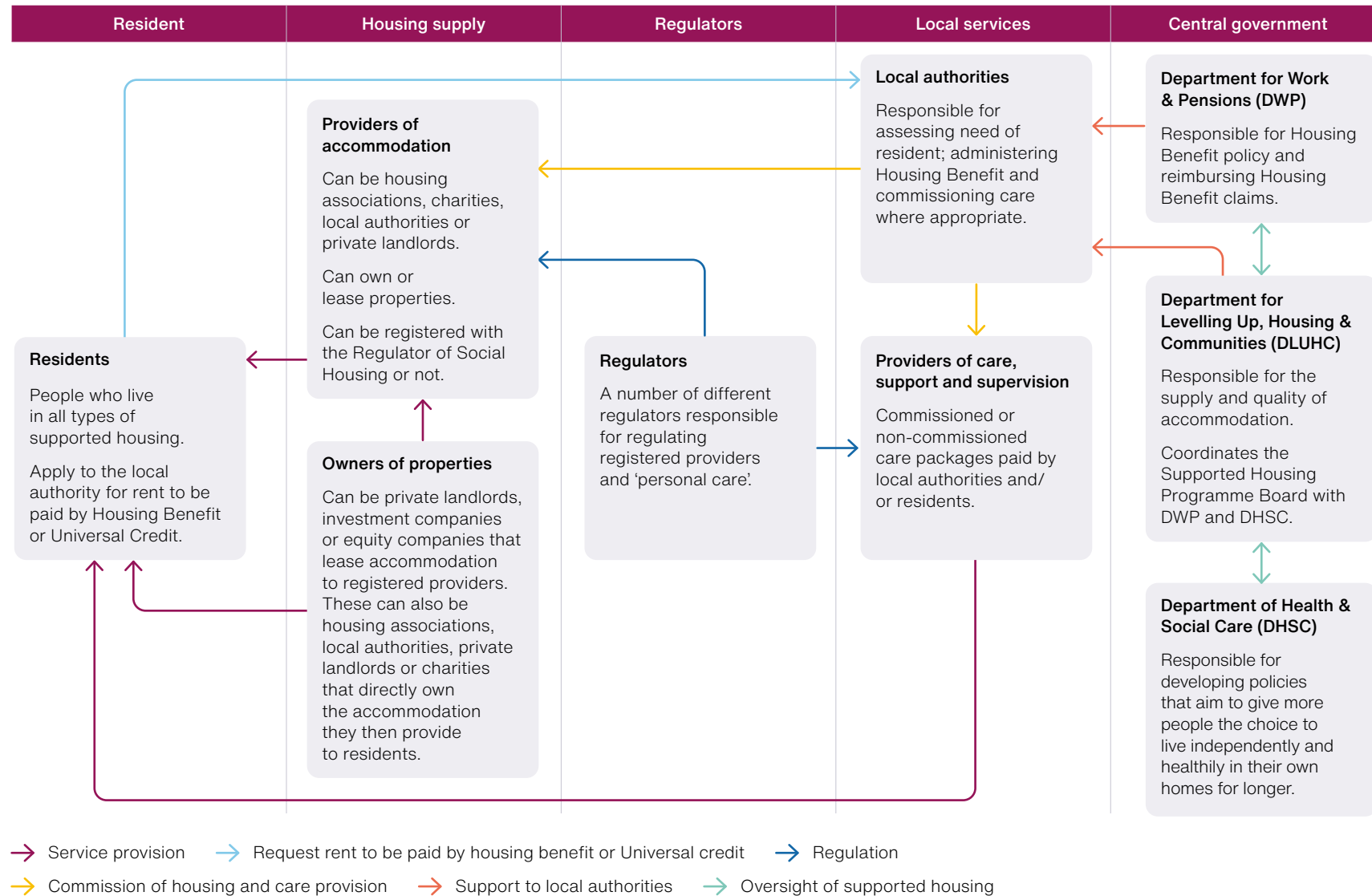
1.6 People can access supported housing by applying through their local authority who will assess their needs. People can also approach the provider of supported housing directly (for example, in response to adverts). They then apply to their local authority for their rent to be paid through Housing Benefit or Universal Credit.⁴ The local authority will assess if the rent is reasonable and pay the provider directly (**Figure 2**).

⁴ People can claim Housing Benefit for specified accommodation. People can also claim Universal Credit to help meet their non housing costs.

Figure 2

How supported housing works in England

Responsibilities for providing, commissioning, paying for and regulating supported housing are split between multiple bodies



Source: National Audit Office analysis of interviews with the Department for Levelling Up, Housing & Communities, the Department for Work & Pensions and the Department of Health & Social Care

1.7 Residents of supported housing must receive some care, support or supervision as well as their accommodation. A local authority can commission the care, support or supervision.⁵ It can be delivered by an external company, a supported housing provider or the local authority itself. There is no definition for the level of care, support or supervision that should be provided to residents. However, case law that local authorities use to decide Housing Benefit claims states that care, support or supervision must be “more than minimal”. Care, support or supervision will vary to reflect the different needs of each resident and can vary between different providers. This is different from ‘personal care’, which is defined in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.⁶

Spending on supported housing

1.8 Housing Benefit (and in some cases, Universal Credit) pays for the accommodation element of supported housing. A DWP and Department for Levelling Up, Communities & Housing (DLUHC) (then the Department for Communities & Local Government or DCLG) joint review of supported housing in 2016 estimated that in England, the total annual Housing Benefit spend on supported housing as at December 2015 was around £3.5 billion (which roughly equates to £121 per week per supported housing unit).⁷ This includes an estimated £2.1 billion on supported housing for older people in England, while spend on provision for working-age people in England was estimated at £1.4 billion.

1.9 The costs of support, supervision and care cannot be met through Housing Benefit payments. The 2016 DWP and DLUHC review noted that funding for the care, support or supervision element of supported housing comes from local authority budgets, including the social care or homelessness budgets, funding by the provider through profit-making activities, and other sources such as charitable grants. The review estimated that in England in 2015 £1.58 billion of spending on supported housing came from these other sources of funding. In the review, local authorities reported that they expected this amount to fall over the following years because of continued decreases in local authority funding.

1.10 Between 2003-04 and 2010-11, the Supporting People Programme provided local authorities with ring-fenced funding between £1.8 billion (cash terms in 2003-04) and £1.64 billion (cash terms in 2010-11) per year to pay for care and support services to help vulnerable people to live independently.⁸ This funding was initially ring-fenced but the ring-fence was removed in 2009 and local authorities were able to spend this money as they felt appropriate. DLUHC analysis shows that local authority spending on support services generally reduced in cash terms from £1.3 billion in 2010-11 to £320 million in 2019-20.

⁵ Commissioning is when local authorities plan, buy and monitor services from a third party.

⁶ Personal care, as defined by the Health and Social Care Act 2008 (Regulated Activities) Regulations (2014) is anything done that is personal in nature, such as assistance with bathing or eating, and would take place in a person’s own home, sheltered care and/or specialist supported housing.

⁷ A unit is a room or bedspace in shared supported housing or a self-contained home.

⁸ The Supporting People Programme was a policy by the Labour government introduced in 2003.

Part Two

Challenges in supported housing

2.1 This section of the report sets out:

- the challenges with supported housing, including oversight and regulation;
- short-term exempt supported housing; and
- data on the numbers of people in supported housing.

2.2 Supported housing provides much needed support and accommodation to vulnerable people who often have complex and multiple needs. However, there are several known shortcomings with supported housing. Some of these issues are specific to the type of supported housing such as the poor quality and poor value for money of some short-term accommodation and the support provided. Stakeholders have noted that gaps in oversight and regulation allow some landlords to make large profits while providing poor quality supported housing. These shortcomings risk value for money but can also lead to poor outcomes for residents, many of whom are vulnerable. There are also problems caused by how Housing Benefit funds supported housing and the supply of the more costly specialist housing for people with high needs.

Gaps in oversight and regulation

Oversight

2.3 Responsibilities for supported housing are spread across central government and no one organisation is fully responsible for overseeing, or coordinating the supply, quality, and funding of supported housing. Instead, roles are split between different government bodies. The Department for Work & Pensions (DWP) is responsible for Housing Benefit and setting Housing Benefit policy. The Department for Levelling up, Housing & Communities (DLUHC) is responsible for the supply and quality of supported housing. The Department of Health & Social Care (DHSC) develops the policies that aim to give more people the choice to live independently and healthily in their own homes for longer. Other government organisations also have a role with certain groups of people, for example, the Department for Education for young people leaving the care system. Local authorities are responsible for managing Housing Benefit claims and inspecting supported housing (**Figure 3**). DLUHC, with DWP and DHSC, has created the Supported Housing Programme Board to help coordinate the work of DLUHC, DWP and DHSC to improve the supply, quality, and value for money of supported housing.

2.4 Local authorities have powers to inspect all rented homes to check for hazards, using the housing health and safety rating system. They can legally challenge providers of supported housing if their homes fail minimum health and safety standards. Local authorities can also use inspections to understand the quality of accommodation and support provided and can challenge the housing costs claimed, meaning the rent and service charges. They assess Housing Benefit claims to see if the support, supervision or care is more than minimal. However, local authorities have noted that limited resources constrain the number of inspections they can do. For example, Blackburn local authority estimated that without more funding from DLUHC it would have inspected few or none of the 24 large, multi-occupancy accommodation units in its area.⁹ Local authorities have reported that they are sometimes reluctant to challenge Housing Benefit claims because of the time and cost of legal proceedings. They have also noted the potential negative impact on the person whose claim they are challenging, for example, it could cause rent arrears to build up.

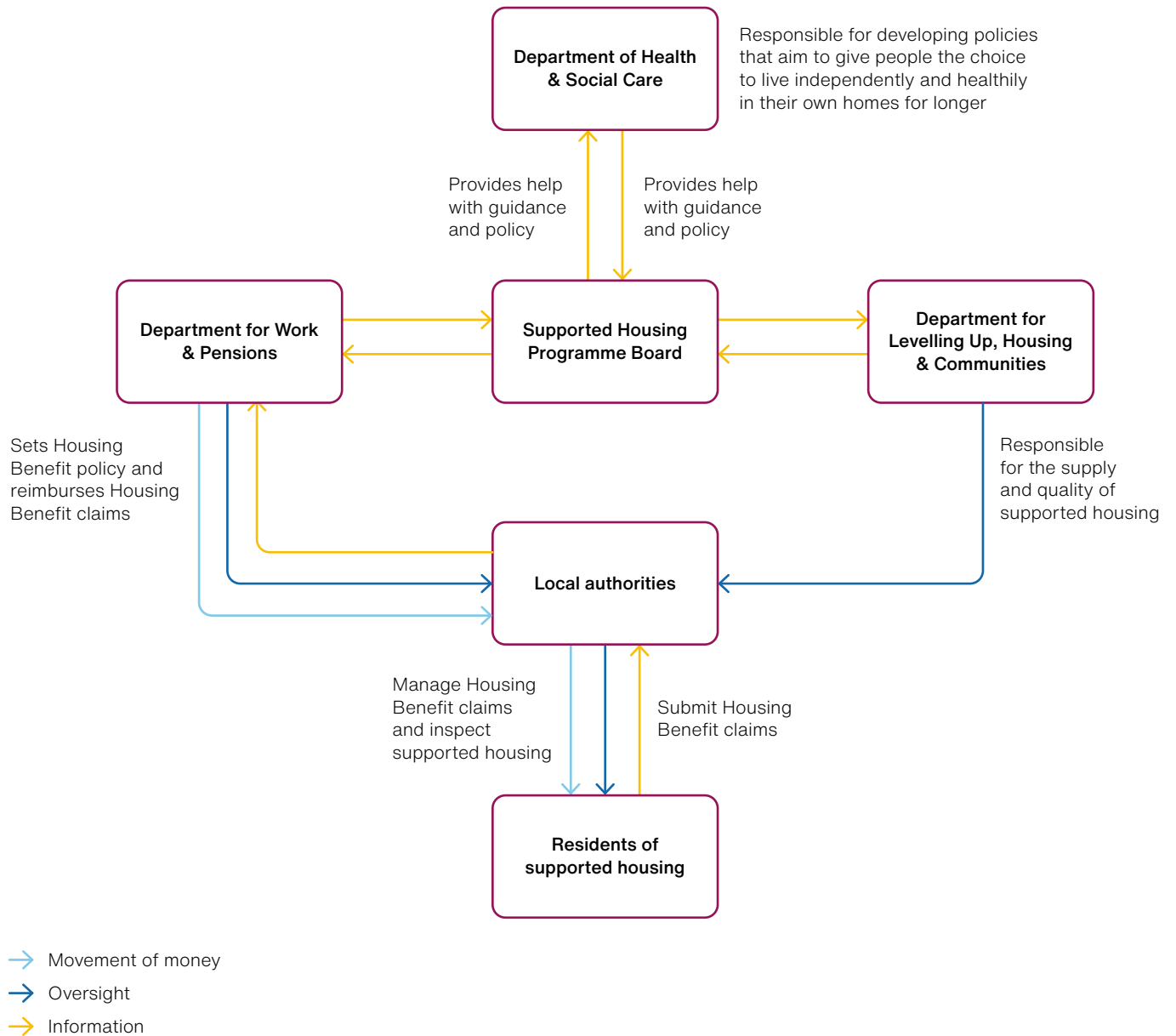
2.5 Local authorities can specify the level of supervision and support they expect when they commission accommodation, but non-commissioned housing providers do not have to supply anything other than 'more than minimal' care, support or supervision.¹⁰ There is no definition of what is 'more than minimal' care, supervision or support so local authorities rely on case law. Local authorities have noted that this lack of clarity and inconsistency creates uncertainty and additional work for providers and local authority Housing Benefit teams.

⁹ Blackburn was one of five local authorities that received funding from DLUHC through the supported housing oversight pilots to improve supported housing. See paragraphs 3.2 and 3.3.

¹⁰ Commissioning is when local authorities plan, buy and monitor services by a third party.

Figure 3
Oversight of the supported housing sector in England

No one organisation is responsible for oversight of all elements of supported housing



Source: National Audit Office analysis of Department for Levelling Up, Housing & Communities and Department for Work & Pensions interviews and Supported Housing Programme Board documents

2.6 DWP and DLUHC do not know how much fraud is made possible by gaps in oversight and regulation of supported housing. DWP has calculated that £540 million of Housing Benefit claims in Great Britain in 2021-22 were fraudulent. However, it cannot assess how many Housing Benefit claims for supported housing are fraudulent as it does not know how many Housing Benefit claims are for supported housing. In 2019, Birmingham City Council created a new team to deal with increasing numbers of applications for exempt accommodation. Between April 2019 and September 2021, it recovered £3.6 million of overpayments. The overpayments were a result of inappropriate or fraudulent applications.

Regulation

2.7 There are several organisations responsible for regulating the accommodation and the care, support or supervision elements of supported housing. These regulators cover different, but not all elements of supported housing. Regulators have powers over the providers who register with them. There are gaps in regulation and some providers of supported housing have less scrutiny (**Figure 4** on pages 21 and 22). These gaps risk lower quality accommodation and support. Our *Good practice guidance: Principles of effective regulation* highlighted how policy makers should consider how to minimise gaps or overlaps in accountability (which could, for example, leave citizens or the environment unprotected) within the design of an overall regulatory framework, particularly where multiple regulatory bodies work closely together.¹¹

2.8 Approaches to regulation, and the regulations that they enforce, vary across regulatory bodies, with few inspecting properties. For example, the Regulator of Community Interest Companies is 'light touch' and mainly focuses on whether registered members meet the criteria for community interest companies. The Regulator of Social Housing considers whether providers are meeting its standards at an organisational level, assessing providers' performance overall. It does not resolve individual disputes between providers and residents. Providers of personal care must register with the Care Quality Commission, which does not inspect the quality of the accommodation and focuses on personal care.

11 National Audit Office, *Good practice guidance: Principles of effective regulation*, May 2021.

Figure 4

There are gaps in the regulation of supported housing in England

There is no direct regulation of the quality of support and not all housing providers are regulated

Unregulated elements of supported housing

Quality of accommodation except supported accommodation for children in care and care leavers aged 16 and 17, and supported housing that is also social housing provided by registered providers.

Quality of support: care, supervision or support that is not defined as 'personal care'.¹

Regulator of Social Housing

Role: regulates the social housing sector.² Is responsible for regulating providers of social housing registered with the Regulator but only the homes that are social housing. Only responsible for social housing providers who voluntarily register (local authorities are required to register). It focuses on larger providers.³

Regulates: supported housing that meets the criteria of social housing, provided by a registered social housing provider. Its statutory remit covers consumer standards (eg health and safety standards) for all providers, and on governance for non-local authority providers.

The Regulator of Social Housing does not regulate supported housing that is not social housing.⁴ It does not regulate for-profit lessors of property to providers.

Regulator of Community Interest Companies

Role: registers and regulates, in a light touch, community interest companies, primarily ensuring community interest companies meet the requirements to be such a company.

Regulates: providers of supported housing that are registered as community interest companies. It has a staff of 7 to regulate some 29,000 companies.⁵

The Regulator of Community Interest Companies does not regulate the quality of accommodation and support provided.

Charity Commission

Role: regulates charities, including those providing housing, focusing on governance and financial management. The Commission will work with the Regulator of Social Housing when charities are also registered providers of social housing.

Regulates: providers of supported housing that are also charities.

The Charity Commission does not regulate the quality of accommodation and support.⁶

Ofsted

Role: will start to regulate supported accommodation for children in care and care leavers aged 16 and 17.⁷

Regulates: support and accommodation for this cohort.

Ofsted will not regulate supported accommodation for children aged 16 and 17 who are not in care or not care leavers.

Housing Ombudsman

Role: resolves disputes involving tenants and providers of social housing. Works with the Regulator of Social Housing when there may be wider issues with the provider that fall within the remit of the Regulator of Social Housing.

Regulates: registered social housing landlords and some private landlords.⁸

The Housing Ombudsman does not regulate providers who are not registered with the Regulator of Social Housing, unless the provider voluntarily registers with the Ombudsman.

Figure 4 *continued*

There are gaps in the regulation of supported housing in England

Care Quality Commission

Role: regulates personal care by providers who are required to register with the Care Quality Commission.⁹ Its role includes rating providers of care.

Regulates: personal care provided to residents of supported housing.

The Care Quality Commission does not regulate care, supervision or support provided as part of supported housing that does not meet the definition of personal care.

Consequences of regulation gaps

There is a risk that these gaps in regulation enable some providers to offer poor-quality housing with support that does not meet the needs of residents. Residents may find it difficult to access help to resolve these problems.

- Gaps in regulation and consequences
- Regulatory body

Notes

- 1 Care, support or supervision that is not defined as 'personal care' are day-to-day activities such as help with managing rent agreements.
- 2 Social housing is housing that is made available for rent below the market rate.
- 3 The Regulator of Social Housing defines larger social housing providers as those managing more than 1,000 social homes. All providers, regardless of size are expected to meet the Regulator of Social Housing's standards, and where there is evidence of non-compliance, the Regulator of Social Housing will expect the provider to take action to return to compliance with the standards.
- 4 The Regulator of Social Housing enforces governance standards for any provider of social housing registered with it, except for local authorities. The Regulator of Social Housing enforces consumer standards only for social housing provided by any providers (including local authorities) registered with it.
- 5 There are 29,356 community interest companies registered with the Regulator of Community Interest Companies as at 13 April 2023.
- 6 The Charity Commission is not responsible for investigating safeguarding incidents that occur in the properties of the supported housing charities that it regulates.
- 7 Ofsted will start accepting applications from supported housing providers from 28 April 2023 and will require complete applications by 28 October 2023, otherwise providers will be unregistered. Inspections of properties will start from April 2024.
- 8 Private landlords may voluntarily register with the Housing Ombudsman.
- 9 Personal care, as defined by the Health and Social Care Act 2008 (Regulated Activities) Regulations (2014) is anything done that is personal in nature, such as assistance bathing or eating and would take place in a person's own home, sheltered care and/or specialist supported housing.
- 10 Providers may be regulated by several regulators. For example, a charity providing social supported housing would be registered with the Charity Commission and possibly the Regulator of Social Housing.

Source: National Audit Office analysis of documents from the Regulator of Social Housing, the Charity Commission, the Regulator of Community Interest Companies, the Housing Ombudsman, Ofsted and the Care Quality Commission

2.9 The Regulator of Social Housing is responsible for regulating providers of social housing registered with it. Not all providers are required to register with the Regulator of Social Housing, however, registration is mandatory for local authorities providing social housing. Supported housing providers can only register with the Regulator of Social Housing if they can show that some of their homes meet the criteria for social housing. Therefore, the Regulator of Social Housing has no remit for supported housing that is not classed as social housing. The Regulator of Social Housing reported in 2021-22 that 509,406 units of supported housing were classed as social housing, around 12% of all registered social housing in England. The draft Social Housing (Regulatory Oversight) Bill intends to strengthen regulation to change the behaviour of social housing landlords to focus on the residents' needs. It also aims to ensure landlords are held to account for their performance. However, this Bill will only apply to regulated social housing so will only improve a segment of the supported housing sector.

Short-term exempt accommodation

2.10 There are well known concerns with the quality and value for money of short-term exempt accommodation. This accommodation is usually provided for a range of people including those recovering from alcohol and drug dependence, at risk of or transitioning from or to homelessness, or release from the criminal justice system. The charity Crisis has noted that when it is delivered well, exempt accommodation can play a useful role in providing good-quality transitional accommodation and support to vulnerable people.

2.11 Some housing providers can charge high rents with varying levels of care, supervision or support because this accommodation is exempt from locally set Housing Benefit caps, and there is no clear definition for the care, supervision or support to be provided. Housing Benefit regulations state that specified accommodation (which is supported housing that is paid for with Housing Benefit rather than universal credit, including exempt accommodation) should only be provided by not-for-profit organisations. However, some areas, such as Birmingham, have seen increasing numbers of landlords who circumvent the regulations enabling them to profit by providing costly sub-standard housing with little or no support, supervision or care. For example, West Devon reported to the Committee for Levelling up, Housing & Communities (the Committee) that a number of new schemes have entered the market over recent years, claiming to provide exempt accommodation. These schemes involve an investment fund owning the property and a small housing association, registered with the Regulator of Social Housing, acting as the landlord. The local authority considers that these types of schemes are mainly designed to maximise the amount of Housing Benefit that can be claimed. The Regulator of Social Housing published a report in 2018 which set out its concerns on this model of supported housing.

2.12 Poor quality exempt accommodation can have a negative impact on the resident's quality of life and may not give vulnerable people the environment or support that they need. For example, the Committee reported hearing "of people with a history of substance misuse being housed with drug dealers, and of survivors of domestic abuse being housed with perpetrators of such abuse." Hull City Council reported to the Committee that in the 345 supported housing units it inspected between April 2019 and January 2022 (Hull inspected a mixture of houses in multiple occupation, hostels, flats and single occupancy houses), it found 323 hazards classed as a serious and immediate risk to a person's health and safety. It also found that 62% of inspected properties failed to meet the decent homes standard. The charity Crisis points to a growing body of evidence that the poorest-quality provision of exempt accommodation is associated with investors looking to maximise returns by charging the highest rents allowed under the Housing Benefit system. Crisis notes that while some non-commissioned supported housing is of sufficient quality, there are not enough protections for residents when this is not the case. The Committee noted that much of its evidence suggested that problems with exempt accommodation were more prevalent among non-commissioned providers.¹²

2.13 There is a lack of data on exempt accommodation, which makes it difficult to assess the scale of the problem. DLUHC considers that while the problem with quality of accommodation and support exists in most regions of the country, it is mainly concentrated in several urban areas, particularly in neighbourhoods with concentrations of low-cost, poor-quality housing. DLUHC's engagement with local authorities suggests there could be around 30 badly affected local authorities. Crisis estimated that in May 2021, there were 153,701 households in Great Britain in exempt accommodation; a 62% increase from 2016 to 2021.¹³ However, the lack of national central government data means we have been unable to validate this figure.

Demand for and supply of supported housing

2.14 DLUHC does not currently know or routinely try to estimate the demand for supported housing nationally. In 2017, the Personal Social Services Research Unit assessed the impact of projected demographic changes on demand for supported housing. This research estimated that between 2015 and 2030 demand would increase substantially for older people, (by 36%) and working age people with a learning disability (by 55%). It estimated smaller increases for people with a physical disability (6%), single homeless people (4%) and people with mental health issues (6%). DLUHC has commissioned research to help it understand demand (paragraph 2.22).

¹² Supported housing can be commissioned or non-commissioned. Local authority commissioned housing is when local authorities plan, buy and monitor services provided by a third party. Non-commissioned housing is when providers supply housing to people directly.

¹³ This figure is taken from data supplied to Crisis by DWP in response to a Crisis Freedom of Information request in September 2021.

2.15 Sheltered accommodation and sheltered extra-care accommodation are the largest portion of supported housing. This type of supported housing is typically for older people and demand for this accommodation is growing (see paragraph 2.14). There are issues with the supply of this supported housing as these homes are more expensive to build and operate due to design specifications. The extra care element of this supported housing is often provided as care packages through local authority social care services or residents pay for it themselves.

2.16 Programmes such as the Affordable Homes Programme and the Care and Support Specialised Housing Fund provide capital funding to housing providers to build new supported housing. DLUHC and DHSC seek to incentivise the supply of new supported housing by providing funding to housing providers. DHSC runs the Care and Support Specialised Housing Fund, which provides capital funding for housing for older people and adults with physical or learning disability, autistic people or adults with mental ill health. This fund has £51 million of funding for 2022-23 and £71 million of funding for 2023-24 and 2024-25. Our report on the Affordable Homes Programme, funded by DLUHC, found mixed progress in delivering new supported housing. As at March 2022, the 2015 and 2016 iterations of the programme had provided around 12,000 new supported homes outside of London (there were no targets set). However, as at May 2022, DLUHC did not expect to meet its targets of 15,700 to 16,500 new supported housing units under the new 2021 programme. In England, Homes England had allocated funding for 8,471 new supported homes against a target of between 12,200 and 13,000. The Greater London Authority had allocated funding for 325 new supported homes in London, against a target of 3,500.

System of funding

2.17 Some local authorities are experiencing increasing shortfalls in their funding because of how the Housing Benefit system works. Local authorities pay Housing Benefit for specified supported housing, in most cases, directly to the provider. DWP reimburses local authorities for these payments in line with the Housing Benefit subsidy rules which are set out in legislation. In some cases, the rules mean that the amount of subsidy paid to the local authority may be restricted. If the housing provider is registered with the Regulator of Social Housing, DWP reimburses the full amount. If the housing provider is not registered, then the local authority can claim 100% of the amount of a rent officer determination for such a property (this determination is based on similar properties in the area and can be lower than the rent that providers ask for). If the resident is classed as 'vulnerable', the local authority can claim a further 60% of the amount above the rent officer determination.¹⁴ Therefore, local authorities experience a gap in subsidy from DWP of 40% above rent officer determination for particular vulnerable groups, and 100% above this determination, for other residents. The gap in funding is referred to as 'subsidy loss.'

¹⁴ The definition for vulnerable in this case is a resident that is: 60 or over; incapable of work; or with a child.

2.18 Some local authorities experience a high subsidy loss and told us it can have a substantial impact on their budgets. Not all local authorities experience subsidy loss. Even so, the amount of subsidy loss is increasing overall. Local authorities in England experienced a subsidy loss of £108 million (in cash terms) in 2021-22 compared with £53.8 million in 2017-18.

Data

2.19 Central government has limited national data on supported housing. DWP and DLUHC do not routinely collect data at a national level on the numbers of all people in supported housing or the numbers of units of supported housing. While DWP collects data from local authorities, this does not include people living in supported housing who are not in receipt of Housing Benefit. The most comprehensive national picture of supported housing is a joint DWP and DLUHC (then the Department for Communities & Local Government or DCLG) review in 2016 for which they gathered data from local authorities using a survey. However, just under half (197 of the 407 local authorities surveyed across England, Wales and Scotland) provided responses.

2.20 Since the introduction of the 'specified accommodation' definition in Housing Benefit regulations in 2014, DWP has required local authorities to regularly collect data on specified accommodation cases that are paid through Housing Benefit. While local authorities provide data on all Housing Benefit claims, DWP has told us that data supplied are inconsistent and incomplete and do not always distinguish whether the Housing Benefit claim was for specified accommodation. DWP's data reporting system enabled local authorities to report if a claim was for exempt accommodation, however DWP found that local authorities reported supported housing data inconsistently. DWP told us that it considered that work to improve the data would be costly and time consuming for local authorities and therefore would need new funding.

2.21 To improve the data, from April 2022, DWP required local authorities to improve the way they identified and reported each new Housing Benefit claim when it relates to specified accommodation, and if so, the type. DWP accepts that this new requirement will not immediately improve data quality, as it only applies to new claims. Therefore, in March 2023, it provided local authorities with £4.79 million of funding to review all their existing Housing Benefit claims to identify and record if claims are for specified accommodation, and if so, what type. DWP has requested that local authorities complete this review by March 2024.

2.22 DLUHC is aware of the limits of the available data and has commissioned research to provide an up-to-date understanding of the supported housing sector in England, with funding from DWP to extend it to Scotland and Wales. The research intends to focus on the size and composition of the sector, costs, current and future supply and demand, the interaction between commissioners and housing providers, and how to improve monitoring. The research is due to be finalised by November 2023.

Part Three

Government actions to improve supported housing

3.1 This section of the report will outline the actions that the government is taking to improve supported housing, including the Supported Housing (Regulatory Oversight) Bill, and the Supported Housing Improvement Programme.

Government actions

3.2 The Department for Levelling Up, Housing & Communities (DLUHC) is aware of the issues with supported housing. Between September 2020 and October 2021, DLUHC ran pilots to help local authorities deal with problems with supported housing in their areas. It created the pilots in response to problems with quality and value for money in short-term or transitional supported housing. DLUHC provided £5.4 million to local authorities in Birmingham, Blackburn with Darwen, Blackpool, Bristol and Hull to test enforcement measures to improve quality and value for money in supported housing. The pilots' focus included:

- creating multi-disciplinary teams;
- conducting property inspections and enforcement;
- conducting care and support reviews;
- conducting Housing Benefit scrutiny; and
- strategic planning.

3.3 Local authorities reported the pilots improved the quality of support for residents and reduced the numbers of Housing Benefit claims deemed 'illegitimate' or 'unreasonable', for example with rents higher than usual for that accommodation. They achieved this by improving how they reviewed people's support and greater scrutiny of Housing Benefit.

3.4 In June 2021, DLUHC, with the Department for Work & Pensions (DWP) and the Department of Health & Social Care (DHSC), created the Supported Housing Programme Board to help coordinate the work of DLUHC, DWP and DHSC and try to address problems with quality and value for money, supply and viability. In March 2022, the Parliamentary Under-Secretary for Rough Sleeping and Housing outlined to Parliament several further commitments the government planned to take to deal with “a minority of landlords who charge high rents for poor-quality accommodation with little or no support”. These commitments included:

- set minimum standards of support;
- new powers to local authorities for them to manage their local supported housing market;
- changes to Housing Benefit regulations to seek to define care, support or supervision; and
- introducing the Supported Housing Improvement Programme to provide £20 million over three years to local authorities who bid for funding.

The Supported Housing (Regulatory Oversight) Bill

3.5 Several of these measures were superseded by a Private Members Bill on supported housing (the Supported Housing (Regulatory Oversight) Bill), which Bob Blackman MP laid in Parliament in June 2022. Overall, the government supports the Bill which has additional measures to DLUHC’s plans as set out in the March 2022 statement. The Bill is mainly concerned with specified accommodation rather than wider supported housing. It does not include reform to Housing Benefit rules. As of March 2023, the Bill was at the House of Lords’ reading stage in the Parliamentary process.

3.6 The Bill, if introduced as drafted in November 2022, will introduce several new duties for local authorities, such as developing supported housing strategies. As at March 2023, DLUHC had yet to establish how it will support local authorities to implement these new duties. However, DLUHC told us that it was committed to a full consultation ahead of any measures affecting local authorities coming into force. It has also committed to assessing whether additional funding (new burdens funding) for local authorities is needed. DLUHC was also still deciding some of the details of how the Bill will work in practice. However, it told us that it will consult fully on the detail of measures the Bill introduces including support standards, licensing schemes and additional enforcement measures. DWP noted its commitment to consult on linking licensing and support standards in Housing Benefit regulations. Some local authorities have told us that they are mostly positive about the changes the Bill will bring although noted some shortcomings. They also noted more funding will be needed for it to be effective. Specifically, local authorities said:

- it will give them a framework to deal with non-compliant providers;
- the definition of support will be helpful;

- it should save central government money; but
- it does not deal with the problems with Housing Benefit regulations;
- it does not go far enough in creating a rigid regulatory system; and
- it will not create an inspection regime, which the local authority considered was needed.

DLUHC expects the bill to come into force by summer 2023.

Figure 5 (overleaf) sets out the key points in the Bill and concerns raised by stakeholders.

The Supported Housing Improvement Programme

3.7 Between August and November 2022, DLUHC allocated £20 million over three years to 26 local authorities as part of the Supported Housing Improvement Programme. DLUHC aims for the programme to build on the 2020-21 pilots. Its objectives include that local authorities improve the quality of supported housing; improve the value for money and management of supported housing; and improve knowledge of local supply and demand. Successful bids included work to inspect non-commissioned supported housing to improve quality and to reduce subsidy loss.

Figure 5

Key points in the proposed Supported Housing (Regulatory Oversight) Bill

Several measures in the Supported Housing (Regulatory Oversight) Bill require action from local authorities

Measure	Detail	Concerns raised by stakeholders
Appoint a supported housing advisory panel to advise on supported housing.	Members to include representatives from providers of social housing, local authorities, social services authorities, charities who provide exempt accommodation, residents of supported housing.	Some concerns raised about how representatives will reflect the diversity of local authorities.
Requires local authorities to review supported exempt accommodation in their areas and develop strategies for its provision.	The strategy must include an assessment of demand over the next five years and current supply of supported exempt accommodation.	This is a new duty for local authorities so likely to need new funding.
Gives local authorities powers to create licensing schemes for providers of exempt accommodation. This includes provisions to restrict or remove Housing Benefit.	Not mandatory for local authorities to implement. Secretary of State will have the power to designate areas for licensing schemes. Secretary of State to review progress after three years.	Local authorities could charge fees for licensing enabling the scheme to be self-funding but would have to meet set up costs. Some concerns raised about unintended consequences, for example, to small, specialist non-commissioned supported housing providers or that it may force unscrupulous landlords to a different housing sector.
Development of national supported housing standards for supported exempt accommodation.	Standards not defined in the Bill but may cover the type and condition of housing, and provision of care, support or supervision.	
Amend section 191 of the Housing Act 1996.	The amendment will mean when a person leaves their supported exempt accommodation because of inadequate support/poor conditions, they will not be classified as 'intentionally homeless'.	

Note

1 Text in bold shows new local authority action required for the Supported Housing (Regulatory Oversight) Bill.

Source: National Audit Office analysis of the Supported Housing (Regulatory Oversight) Bill

Appendix One

Our investigative approach

Scope

1 This investigation sets out the facts on how the supported housing system in England works and government oversight of the sector. The Department for Levelling Up, Housing & Communities (DLUHC), and the Department for Work & Pensions (DWP) are both involved with supported housing. The Department of Health & Social Care (DHSC) is also involved. Local authorities are responsible for managing the system within their areas.

2 This investigation does not focus in detail on central government's efforts to increase the supply of supported housing. Nor does it look at issues related to the quality of care provided in supported housing. This report does not seek to examine and report on the value for money of supported housing, nor does it make any recommendations.

Methods

3 In examining these issues, we drew on a variety of evidence sources, undertaking our fieldwork between November 2022 and March 2023. Our key facts are based on analysis and triangulation of evidence we have collected through case studies, interviews and document review.

4 We define 'local authorities' as principal councils (of which there are 333 in England in 2022-23). These include metropolitan borough councils, unitary authorities, London boroughs, county councils and district councils.

Case studies

5 We used case studies to understand local authorities' perspectives of supported housing and the challenges local authorities face. We also used case studies to help us understand how the supported housing system works at a local level.

6 We shortlisted 15 local authorities, chosen to give a mix of different types of authority and a broad geographical spread. The selection included local authorities that spend proportionately larger amounts on exempt accommodation (as far as data allowed us to assess) and/or received funding from the Supported Housing Improvement Programme. We conducted nine case study interviews with local authorities who were happy to participate in this investigation. Birmingham City Council sent documents for our review, rather than be interviewed. In most instances we spoke to members of the housing team, the Housing Benefit team and adult social services.

7 Our case study local authorities were:

- Birmingham City Council
- Lambeth Council
- Bristol City Council
- Blackpool Council
- Hull City Council
- West Devon Borough Council
- Bradford Council
- Nottingham City Council
- Sunderland City Council
- Charnwood Borough Council.

8 We asked local authorities about the numbers and types of supported housing in their area, the challenges they face, the data they collect, funding and spending, monitoring, inspection and regulation, their thoughts on government measures to improve supported housing and involvement in the pilots and the Supported Housing Improvement Programme where relevant.

Interviews

9 We conducted eight interviews with DLUHC officials to gain insight into: the landscape and oversight and regulation of supported housing; the roles of each organisation involved; available data and management information; funding for the programme; key risks and challenges and the improvements being made by DLUHC through the Supported Housing Improvement Programme and other measures.

10 We conducted five interviews with DWP officials to understand: the Housing Benefit system in supported housing; the roles of each organisation involved, and the available data.

11 We conducted one interview with DHSC officials to gain their views and understanding of: the Supported Housing Improvement Programme; the Care and Support Specialised Housing Fund; the roles of each organisation involved; funding for support, oversight and regulation; and initiatives to improve supported housing.

12 We spoke to stakeholders from key regulatory bodies involved with supported housing, including the Regulator of Social Housing, the Care Quality Commission, the Regulator of Community Interest Companies, the Housing Ombudsman, and the Charity Commission for England and Wales. We used these interviews to understand how regulation of the sector is divided between each regulator, and where overlap, gaps or limits exist.

13 We talked to other stakeholders including: the Local Government Association, National Housing Federation, the Association of Directors of Adult Social Services and Crisis.

14 We did not interview residents of supported housing.

Document review

15 We reviewed departmental documents to understand the supported housing system. We used these documents to clarify the different definitions of supported housing, review the availability of data, and understand the government actions to improve supported housing.

16 Our document review covered:

- board papers of the Supported Housing Programme Board to see how DLUHC, DWP and DHSC work together and their actions to improve the quality and supply of supported housing;
- the Supported Housing Improvement Programme prospectus for details of the programme goals, funding, and timing;
- the supported housing pilots documents, including evaluation, to understand the outcomes of the pilots, and what lessons were applied in the design of the Supported Housing Improvement Programme;
- the Supported accommodation review 2016, for the most up-to-date data on supported housing size, spend and distribution across England;
- the Committee for Levelling up, Housing & Communities report: *Exempt Accommodation*, to provide a wide range of views and the challenges various stakeholders saw in supported housing; and
- the draft Supported Housing (Regulatory Oversight) Bill.

Data analysis

17 We reviewed sources of available data including the published statistics on social housing from the Regulator of Social Housing, the Continuous Recording of Lettings and Sales in Social Housing in England (CORE) data published by DLUHC and DWP Stat-xplore Housing Benefit data. As a result of this review, we concluded that the available data were too limited to allow robust analysis. Instead of independent data analysis, we drew on the latest available data in the 2016 DWP/DLUHC review of supported housing and data from the *Inside Housing* report on exempt accommodation spending.

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