



To: Communities and Neighbourhoods Scrutiny Board (4)

Date: 30th January 2024

Subject: Supported Exempt Accommodation

1 Purpose of the Note

- 1.1 The purpose of the note is to update the Communities and Neighbourhoods Scrutiny Board following the consideration of an item on Exempt Supported Accommodation by Scrutiny Co-ordination Committee at their meetings on 7th December 2023 and 8th January 2022. The Committee requested a progress update on the Supported Housing Improvement Programme (SHIP) funding, as well as an update on progress with changes to legislation. Appendix one provides further details and progress.

2 Recommendations

- 2.1 The Communities and Neighbourhoods Scrutiny Board (4) are recommended to:
- 1) Note the current position and funding
 - 2) Note the progress and co-ordinated response to managing Supported Exempt Accommodation in the city
 - 3) Identify any further recommendations for the Cabinet Member for Housing & Communities related to the work detailed in this report.

3 Background and Information

- 3.1 Exempt accommodation is supported housing which is exempt from certain Housing Benefit provisions. It is a sector which often houses more marginalised groups with support needs, such as prison leavers; care leavers; those fleeing domestic violence; and homeless people with substance dependence or mental health issues. The accommodation is provided alongside support, supervision or care to help people live as independently as possible in the community. Exempt accommodation is not 'Temporary Accommodation' and for many it provides long-term and sustainable housing.
- 3.2 As there is an element of care, support and supervision provided to clients it is exempt from Local Housing Allowance (LHA) caps, hence the use of the term 'exempt'. These exemptions enable organisations providing this type of housing to charge higher rates, when compared with general LHA rates, to clients living in their properties. Where the accommodation is provided by an organisation other than a

registered provider, Local Authorities bear the additional costs of the provision beyond the LHA rate.

- 3.3 As securing permanent accommodation has become more difficult the Supported Exempt Sector has grown significantly both locally and nationally. This type of accommodation is often the only option for groups of people who don't meet the statutory priority need threshold, particularly if their homelessness is unplanned.
- 3.4 Case law states that there only needs to be a "more than minimal" level of care and support to qualify as 'exempt accommodation', meaning some providers secure high rental levels while only providing a small amount of support.
- 3.5 Exempt accommodation clients are usually housed in Houses of Multiple Occupation (HMOs), which are often larger properties that have been converted. Due to the complicated nature of defining a building as an HMO not all exempt accommodation can be classified as such and therefore would not fall under the provision of the citywide HMO licensing scheme. Furthermore, in some cases if they are operated by or under the umbrella of a Registered Social Landlord (RSL) then they are afforded an exemption from licensing under the Housing Act 2004.
- 3.6 While there are many good examples of exempt accommodation providers, there have been instances where the quality of accommodation has not been up to standard, and the support being provided has been found to be inadequate.
- 3.7 The three main types of providers in Coventry are.
 - Registered Providers' who provide supported housing e.g., Citizen, St Basils
 - Non-RP's which are well established organisations e.g. Salvation Army, Coventry Cyrenians, Mind
 - Community Interest Companies who often have limited expertise/experience of accommodating vulnerable groups
- 3.8 Following a successful bid for funding via SHIP with the Ministry of Housing, Communities & Local Government (MHCLG) in the autumn of 2022 Coventry City Council were awarded circa £350k funding to deliver a robust set of actions to improve the quality of SEA in the city both in terms of support provided as well as the fabric of the buildings whilst looking at ways to improve value for money.
- 3.9 After successful recruitment to the 3 newly created roles, the SEA Team began working towards the objectives set out in the SHIP delivery plan. The team have successfully:
- 3.10 Liased with teams within the Council and with external stakeholders who have a known relationship with SEA providers.
- 3.11 In doing this, the team have been able to identify commissioned services within Housing, Adult Social Care, Migration Team and Public Health and have been able to identify whether there are any preexisting quality checks being carried out and to gain an insight into what experiences have been like prior to the introduction of SHIP. The team identified that Adult Social Care and Housing were carrying out their own due diligence checks and have decided that to not duplicate work, they will begin to accompany these departments when they carry out their annual

reviews of services that they commission to ensure that providers are working in line with Coventry City Council's Guide to Standards for Supported Exempt Accommodation.

3.12 Created a Quality Assurance Tool Kit

3.13 This consisted of holding a round table discussion with stakeholders to discuss what is important for providers and residents when accessing supported exempt accommodation. Using the findings from this session, in November 2023 the team launched "Coventry City Council's Guide to Supported Exempt Accommodation". These set of measures outline the underpinning values and highlight the expectations of Coventry City Council for all new and existing providers in the city who wish to operate Supported Exempt Accommodation.

3.14 Created a Gateway for providers wishing to operate SEA within the city.

3.15 The team created a new SEA webpage on the council's website which acts as a first point of call for providers to enquire about beginning to operate as a SEA provider in Coventry. The team initially reviewed the previous application process which consisted of Housing Benefit providing anybody interested in operating as SEA with a lengthy application pack. This meant some organisations completed an in-depth application only to discover on its return that they were ineligible to operate as a SEA provider. Once the flaws had been identified, the team trialled a new method whereby all new providers who approached were first provided with an enquiry form, which allowed Housing Benefit to do checks which were a lot less time consuming. Based on these checks, Housing Benefit could then decide whether a full application could be sent out and minimised the number of ineligible enquiries.

3.16 Developed a single access point to capture "Comments, Concerns and Complaints" relating to a provider or accommodation.

3.17 Before the introduction of the SEA team, there was a scattergun approach to dealing with complaints of ASB whereby various members of the council would often receive correspondence relating to SEA often not knowing who was best to direct these queries to. The SEA team are now able to track and manage such concerns and advise people to log their comments via the council's webpage, to then be appropriately actioned by the SEA team. The team also requested that posters were created and distributed to "hotspots" where people who access SEA may visit, with the intentions that this may encourage residents to provide insight about their experiences. The SEA team have developed good rapport with key stakeholders such as Community Safety and WMPS to best assist with dealing with concerns raised.

3.18 Created a virtual panel to assess new applicants.

3.19 October 2023 saw the introduction of the "New Provider Panel" – The idea of this was that once a new provider has been scrutinised by Housing Benefit and had completed the Property and Support Audit, they would then be invited to the panel to discuss the findings. However, the team have reviewed this process and have decided to hold this panel 3-6months after Housing Benefit have made their decision and the first audit has taken place. This is due to the team noticing some

discrepancies appearing during the first 6 months and therefore this panel will now be used as an opportunity to address any issues that may begin to surface during this time.

- 3.20 The team have also developed an inspection process which included collecting residents feedback, carrying out spot checks on the support being provided and inspecting the quality and compliance of the accommodation.
- 3.21 As part of the Supported Housing Improvement Programme, the team report back to DLUHC (Department for Levelling Up, Housing and Communities) regarding the work undertaken and outcomes achieved. Out of the 64 properties that were inspected during this period, 94% were compliant with Decent Homes Standard and/or HHSRS. One property was issued with an Emergency Prohibition Order due to serious hazards within the property.

4 Value for Money – 2023/2024

- 4.1 Below are the annual figures from April 2023 until May 2024 evidencing the savings made from Housing Benefit payments when a provider's rents have been restricted and costs have been negotiated.
- 4.2 These figures fluctuate year on year depending on the number of rent increases and new schemes received in that year for exempt supported accommodation. When deciding if a rent is reasonable the team consider many factors including comparable properties and value for money. In comparison to 2022/2023, the team due to restrictions, negotiation and reviewing existing and new schemes accumulated an overall annual efficiencies against potential cost of HB subsidy loss of over £1.3 million

Providers	Date	No of Units	Restricted Costs	Annual Saving
Provider A	17/04/23	80	Utilities	£35,900.80
Provider B	03/05/23	53	Cleaner Cost	£6,752.20
Provider C	19/05/23	2	Rent Costs	£8,112.00
Provider D	02/06/23	14	Council Tax removed	£3,931.20
Provider E	21/06/23	111	Security & IHM %	£75,894
Provider F	23/06/23	3	Various	£2,119.00
Provider G	23/06/23	19	reduction in repairs	£12,955.80
Provider H	25/06/23	18	utility costs	£6,749.08
Provider I	28/06/26	63	utility costs	£6,377.28
Provider J	27/07/23	2	utility costs	£13,328.12
Provider K	28/07/23	6	Restricted 4 costs	£36,528.96
Provider L	29/07/23	10	management costs	£3,900.00
Provider M	02/02/24	8	Various	£28,620.80
Provider N	02/02/24	5	Overhead & %	£2,758.60
Provider O	09/02/24	5	Building Management	£9,284.60

Provider P	15/02/24	17	Cleaning Costs	£31,549.96
Provider Q	21/02/24	11	Staff Cost	£13,669.76
Provider R	29/02/24	18	Various	£8,994.96
Provider S	29/02/24	20	Overhead & management %	£16,515.20
Provider T	05/03/24	27	RSL Charge	£13,344.76
Provider U	26/03/24	8	Various Restrictions	£28,620.80
			Total	£365,907.88

4.3 Below are the details of cost avoided where housing benefit have refused payment to a provider or revoked the status of a provider based on information provided to us that would suggest the provider is unable to provide Supported Exempt Accommodation that meets the minimum requirements for Housing Benefit regulations domain please note where status was revoked the accommodation was taken over by new providers thus not yielding full cost saving .

Providers	Date	Refused as exempt, revoked status, refused application	Annual Cost avoidance
Provider A	31/11/23	Refused as exempt due to insufficient support staff levels	£53,129.44
Provider B	31/11/24	Refused as exempt due to insufficient support staff levels	£58,999.20
Provider C	14/12/23	Refused exempt application, further info not provided	£46,758.40
Provider D	05/02/24	Revoked exempt status after full review	£1,177,488.00
Provider E	16/02/24	Refused exempt application, further info not provided	£72,394.40
Provider F	20/05/24	Refused exempt application, further info not provided	£267,733.44
		Total	£1.676,502.88

4.4 The team are continuing to undertake reviews of the quality of support offered and the housing conditions through inspections to assess minimum standards via the Housing health and safety rating system (HHSRS) in licensed and non-HMO properties. The team aim to visit all supported accommodation at least once during the project length as per the project plan. They will continue to respond to reactive complaints via the online portal regarding poor housing conditions and HMO licensing breaches along with lack of support, care, and supervision.

4.5 The team have delivered several positive impacts in the city including the improvement of some properties, receiving reassurances that good quality support is being provided as well as ensuing VFM

5 Legislative changes

- 5.1 As previously reported The Supported Housing Regulatory Oversight Act 2023 was enacted in the summer of 2023 however, to date local authorities have not been required to implement the Act. There is currently a live consultation under way which will determine how the Act is put into practice and how local authorities, including commissioning services, licensing and enforcement functions and revenue and benefits departments will adhere to its requirements. This will include how local authorities will identify the need and requirements for exempt accommodation provision in their areas as well as publishing a Supported housing Strategy for the area.
- 5.2 It is assumed that local authorities will receive new burdens funding to support implementation of the Act however this has not yet been confirmed, and therefore it needs to be noted that the team are currently only funded by MHCLG until the 31/03/25.
- 5.3 We are hopeful that in the interim the current funding will continue as part of central government's short-term commitment whilst the implementation of the Act progresses. However, to date no confirmation has been received and therefore there is a risk that if funding is not secured that the team is disbanded. Departments currently involved in the project are reviewing options for continuation of the work in the absence of ongoing MHCLG funding.
- 5.4 More information about the project can be found at Appendix 1.

Appendix 1: Supported Exempt Accommodation Presentation

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