



Ministry of Housing,
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Local Government



Department
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Supported Housing Review 2023

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Ministry of Housing, Communities and Local Government

and

Department for Work and Pensions

The findings and recommendations in this report are those of the authors and do not necessarily represent the views of the Ministry of Housing, Communities and Local Government or the Department for Work and Pensions

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Foreword

This report presents the results of a large-scale study of the Supported Housing Sector, which aims to understand the demographics, size and scope of the sector and the forecasts for demand and supply of accommodation. It provides a much needed update to the previous study undertaken by Ipsos Mori and Imogen Blood Associates in 2016.

In the previous Parliament, the Select Committee Report noted some of the problems in the sector and the Department is committed to driving improvements to address these issues through measures such as the Supported Housing Improvement Programme and the Supported Housing Regulatory Oversight Act.

This study, together with the evaluation of the Supported Housing Improvement programme, aims to improve our understanding of the working of the sector, and inform future policy and funding decisions.

The study comprises a number of linked research strands, including reviews of the existing literature and administrative data sources, large scale primary surveys with supported housing commissioners, local authority Housing Benefit teams, and providers of supported housing, together with a number of in-depth case studies. The next phase of research on supported housing focuses on the economic benefits and costs of the sector, and a scoping study is under way at the time of writing (Spring 2024).

I would like to thank colleagues from the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University and their partners for their continued hard work conducting research and synthesising the evidence for this report. Particular thanks should go to the authors: Christina Beatty, Ian Wilson, Emma Bimpson, Jan Gilbertson, Lindsey McCarthy, and Elizabeth Sanderson.

My thanks also go to the Department for Work and Pensions for funding the extension of the study to include coverage of Scotland and Wales in the study.

I would also like to acknowledge the support from wider membership organisations and networks who supported engagement activities with their members including encouraging them to take part in the research. This included contributions from the National Housing Federation, Homeless Link, Cymorth Cymru, Coalition of Care and Support Providers in Scotland, Scottish Federation of Housing Associations, The Benefits Directory, Institute of Revenues Rating and Valuation, NHS Confederation's Mental Health and Housing Forum, and the Learning Disability and Autism Housing Network.

Above all, my sincerest thanks go to the hundreds of people across local authorities, County Councils, Housing Benefit and Revenue teams, commissioning teams, NHS and Integrated Care Boards, and supported housing providers who all gave their time to take part in the research. This included all those who undertook in-depth interviews, supported the case studies or participated in one of the surveys. Without this input the research would not have been possible.

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development and implementation, and Ed Ferrari, Gail Hallewell, Rosie Smith, Emerald Tofte and Sarah Ward from the wider research team.

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Executive Summary

Introduction

1. The government is committed to ensuring a sustainable supported housing sector which enables vulnerable people and those with disabilities to live as independently as possible within the community. The aim of the sector is to improve health, wellbeing and socio-economic outcomes for people who need support to live independently in the community. The government also needs to ensure the system delivers value for money. This study aims to provide a robust and up-to-date evidence base which will enable effective policy development for supported housing.
2. A wide range of quantitative and qualitative data has been collected throughout this study to provide insights on various aspects of supported housing in Britain. This has confirmed the complexity of the sector in terms of client needs, provider types, delivery models, commissioning practices, and funding mechanisms. These factors interact with each other to different extents across localities. This results in a fragmented system which is funded and delivered in different ways to varying degrees depending on where you live. This leads to uneven rates of provision and access to services dependant on local context.
3. No single data source provides a complete picture of the sector. Analysis of the existing secondary and administrative data sources, primary surveys and qualitative research shows that each source provides data on partial aspects of the sector. These reflect each stakeholder's perspective from the part of the sector they operate within.
4. Housing Benefit teams tend to primarily be concerned with or have data on Housing Benefit claimants who live within the third of all supported housing that falls within Specified Accommodation regulations. Many Housing Benefit teams have limited data on supported housing in their area that falls outside Specified Accommodation rules.
5. Local authority commissioners tend to mainly have data on the provision that they directly fund commissioned services for. Their knowledge is often client group specific rather than across supported housing provision as a whole. Funding tends to be focused on those in highest need. Many commissioners have limited data on non-commissioned supported housing provision in their area. This means local authority commissioners and Housing Benefit teams can provide insights on the parts of the sector they deal with, but not necessarily provision as a whole. There are parts of supported housing, for example some sheltered housing for older people, which will neither be directly funded as commissioned services or fall within the Specified Accommodation rules (as Housing Benefit entitlement is assessed according to individual need). Local authorities are unable to systematically provide data on this type of provision.
6. Providers have more comprehensive data on their stock and tenants, but regulatory systems for capturing this data only focus on registered providers. Some providers have a good overview of the whole system across client groups or places. But for

other providers, their knowledge is firmly grounded in particular client groups or places depending on the size of their organisation or specialism.

Policy overview

7. Multiple and interchangeable definitions of what constitutes supported housing are used by national governments, local authorities, regulatory bodies, umbrella organisations and providers. Broadly, these fall within an overarching concept of supported housing being:

accommodation which is provided alongside care, support or supervision to help people with specific needs to live as independently as possible in the community
8. National policy frameworks for the delivery of supported housing in England, Scotland and Wales are complex. The funding regimes differ by nation as do the regulatory frameworks. There is a wide variety of supported housing providers operating in the sector delivering a range of service models across different client types.
9. Housing Benefit policy, legislation and regulations are the responsibility of the Department for Work and Pensions. Unlike housing policy, which is a devolved matter, Housing Benefit is a reserved matter and the same rules and regulations apply across England, Scotland and Wales. Housing Benefit provides financial support towards the cost of the accommodation element of supported housing. Entitlement is assessed on an individual level. However, Housing Benefit cannot be used to cover the costs of care, support or supervision as these are ineligible service charges under Housing Benefit regulations.
10. There is no legal or unambiguous definition of the level of care, support or supervision within Housing Benefit regulations nor is there a definition in the regulations as to what constitutes care, support or supervision. Case law for Housing Benefit has established that the terms take on their ordinary meanings but that the level needs to be 'more than minimal'. This leads to various interpretations of 'more than minimal' such as care, support or supervision being sufficient to make a real difference to a person's ability to continue to live in the property. However, the subjectivity and inconsistency in how the definition of what constitutes a minimal amount of care, support or supervision is interpreted makes measurement of the sector difficult.
11. Housing Benefit regulations are complex and vary by different types of supported housing. This includes a four-fold Specified Accommodation classification: Exempt Accommodation, Managed Properties, Refuges, and Local Authority Hostels. The criteria for each Specified Accommodation category are determined by the type of landlord; whether care, support or supervision is being provided; and if so by whom. The categories also determine how eligible rent and service charges are assessed. Housing Benefit is based on an individual's entitlement and much of sheltered housing falls outside of Specified Accommodation rules. This is due to the level of individual need of most of the residents in that housing and types of landlords. A minority of residents in sheltered housing for older people will qualify for Housing Benefit under Specified Accommodation rules. Housing Benefit claims from residents of accommodation which does not qualify as Specified Accommodation are categorised as general needs claims for Housing Benefit purposes.
12. Housing Benefit regulations also determine how much subsidy can be reclaimed by the local authority from the Department for Work and Pensions to cover their Housing

Benefit costs. The subsidy rules are set out in the Income-related Benefits (Subsidy to Authorities) Order 1988. Local authorities are not reimbursed in full for the cost of all the Housing Benefit awards made in respect of Specified Accommodation as the amount they receive will depend on the type of provider and the eligible rent rules which apply. This can result in subsidy loss for individual local authorities depending on the composition of provision in their area.

Research objectives

13. This study aims to provide an up-to-date understanding of the supported housing sector in England, Scotland and Wales in 2023. Specifically, the project aims to address six overarching research questions:
 - **What is the size and composition of the supported housing sector?** How much provision is there, for which service types, and for which client groups?
 - **Which issues impact on the supply and demand for supported housing?** To what extent does the supply of commissioned or non-commissioned supported housing services meet existing demand from client groups and what are the perceived barriers to developing additional supply?
 - **How is the demand for supported housing likely to change in the future?** How much supported housing might be needed in the future given current supply, demand, unmet demand and changing population demographics?
 - **What are the costs of provision?** What is known about average rents, service charges and funding from local authorities for commissioned housing support services and how do these vary by client group?
 - **How do commissioning practices vary across local authorities?** What works or does not work well in current commissioning practices, how have they changed over time, and to what extent does partnership working exist between local commissioners, Housing Benefit teams and supported housing providers?
 - **How can monitoring of the sector be improved?** Given the varied definitions used within the sector and lack of systematic data providing a complete overview of the entire sector, how might future monitoring data be enhanced to improve understanding of the sector?

Research design

14. This study takes a mixed method approach which enabled the collection of the breadth and depth of data required to address each of these research questions. A range of primary, secondary, quantitative and qualitative data sources have been analysed to allow triangulation across all the evidence collected. The study included four key research strands. More detail on the technical aspects of research design, including survey design and response rates, is included in Appendix A1.
15. The first strand of the research included a series of scoping interviews and engagement exercises with a wide range of stakeholders and organisations across England, Scotland and Wales. A literature review and data review were conducted as part of the exercise. This informed the research design, maximised engagement and participation in the research, and supported the implementation of the research.
16. The second strand of the research assessed and analysed a range of secondary and administrative data sources on various aspects of supported housing in Great Britain. This included official regulatory and government statistics on stock and rents; the

Department for Work and Pensions' Single Housing Benefit Extract on claims within Specified Accommodation; and the Continuous Recording of Lettings in Social Housing (CORE) on the characteristics of all new supported housing lettings in England.

17. The third strand included three primary surveys capturing three different stakeholder perspectives: a Local Authority Housing Benefit Team Survey (173 respondents); a Local Authority and County Council Commissioner Survey (79 respondents); and a Supported Housing Provider Survey (189 respondents). The three surveys included questions about stock, rents, service charges, demand for services, unmet need and commissioning practices.
18. The fourth strand of the research included a series of 16 in-depth case studies which included interviews with 135 stakeholders in local authorities, wider statutory bodies and a range of supported housing provider organisations. Most of the interviews were within and between organisations in particular localities or with providers and commissioners delivering supported housing for particular client groups.

An overview of key findings

19. This study aims to provide an up-to-date understanding of the supported housing sector in England, Scotland and Wales in 2023. The study includes supported housing which provides accommodation that is designed or designated to come with care, support or supervision which helps people who are vulnerable, socially disadvantaged or have disabilities to live as independently as possible in the community. The remit of the study does not include floating support or residential care homes.
20. The breadth of evidence collected confirms the complexity and diversity of the sector. Policy frameworks and regulatory systems vary considerably across the three nations. Supported housing is provided by a wide variety of landlords, delivery models and funding mechanisms. The sector delivers accommodation with care, support or supervision for a wide range of client groups with varied needs both between and within client groups. Often, residents in supported housing can have multiple and complex needs that means they have support needs that fall within more than one client group.
21. Generally, primary client groups within short-term and transitional provision includes: people experiencing homelessness; young people; people at risk of domestic abuse; people with drug or alcohol issues; prison leavers; refugees and asylum seekers; and veterans. Long-term supported housing provision for working age people with disabilities includes three main client groups: people with mental health problems; people with learning disabilities and autistic people; and people with physical disabilities or sensory impairments. Housing for older people with support needs forms the remainder of supported housing provision. This can range from sheltered housing, providing relatively limited levels of support, to extra care provision for people requiring high levels of support to remain living as independently as possible in the community.
22. Provision of supported housing contributes to the health, wellbeing and socio-economic outcomes of those living in the sector. It supports people to transition to more independent living and enables some people to live within the community rather than in institutional care. This project aims to address six overarching research questions and the key evidence for each is summarised below.

What is the size and composition of the supported housing sector?

23. This study has been conducted using a different methodology than that used for the 2016 Supported Accommodation Review (Department for Work and Pensions and Department for Communities and Local Government, 2016). The policy context and data recorded within secondary and administrative data sources have also changed over time. This means that the data presented in this report, which uses regulatory statistics combined with survey methods to estimate the size of the sector, are not directly comparable to estimates produced as part of the prior study which relied on a population weighted survey of local authority commissioners to derive estimates of the size of the sector. The data does not, therefore, represent a consistent time series. It is strongly advised that direct comparison of stock levels as a whole or by client group, as well as other data, between the two studies is not made. Instead, each study should be seen as a snapshot of the best available data at each point of time. That said, there is a great deal of consistency in distributional patterns observed within the 2016 study and the 2023 study both between and within nations, as well as between client groups.
24. This study estimates there are 634,000 units of supported housing in Great Britain. Of these:
- 535,400 units are in England (84 per cent), 57,500 are in Scotland (9 per cent), and 41,100 units are in Wales (6 per cent);
 - 423,100 units are for older people's housing (67 per cent), 126,500 units are for short-term or transitional accommodation (20 per cent), and 84,300 units are for long-term supported housing for working age people with disabilities (13 per cent);
 - supported housing for people with a learning disability and autistic people (9 per cent of all units) and single people experiencing homelessness (9 per cent of all units) are the two largest working age client groups.
25. Specified Accommodation is a four-fold classification of supported housing for Housing Benefit assessment purposes (Exempt Accommodation, Managed Properties, Refuges, and Local Authority Hostels), but not all supported housing falls within these rules as Housing Benefit entitlement is based on the individual needs of claimants. There are some types of supported housing where the majority of provision is classed as general needs for Housing Benefit purposes such as older people's sheltered housing.
26. Specified Accommodation in Great Britain in November 2023, from data provided by the Department for Work and Pensions from the Single Housing Benefit Extract (SHBE) on all Housing Benefit claims recorded as being within Specified Accommodation regulations, indicates:
- the current exercise being undertaken by local authorities to identify and record all Specified Accommodation on Housing Benefit records has improved consistency of recorded data, enhanced data quality, and reduced the level of under-recording of Specified Accommodation claims;
 - there will still be an element of under-recording of Specified Accommodation within SHBE data for November 2023 as the data improvement exercise will not be complete until April 2024;
 - there were 215,770 Specified Accommodation claims recorded on the Housing Benefit system in November 2023 - this is equivalent to 34 per cent all supported housing;

- 78 per cent of all Specified Accommodation Housing Benefit claims are working age claimants and 22 per cent are pensionable age claimants;
 - 83 per cent of all Specified Accommodation claims are for Exempt Accommodation; the Housing Benefit Team Survey indicates that the remaining 17 per cent of Specified Accommodation claims comprises of: 13 per cent Managed Properties, 3 per cent Local Authority hostels, and 1 per cent Refuges.
27. Approximately 38 per cent of all supported housing is commissioned and funded by local authorities or statutory bodies to cover some, or all, of the costs of providing care, support or supervision as part of a supported housing service. Funding for commissioned services varies by client group:
- just over 80 per cent of provision for single people experiencing homelessness and for people with drug and alcohol problems receive some local authority funding;
 - over 90 per cent of most other working age client groups receive some local authority funding;
 - only 28 per cent of supported housing specifically for veterans receives any funding from local authorities;
 - only 16 per cent of supported housing designed or designated for older people receives some local authority funding for providing supported housing services – this is primarily focused on extra care provision.

Which issues impact on the supply and demand for supported housing?

28. There are significant long-term challenges in sustaining the current supply of supported housing as well as numerous barriers in developing new provision. For many local authorities long-term funding constraints and budgetary pressures mean that there are limited resources available to fund commissioned services. In some local authorities certain types of supported housing which are not a statutory requirement are no longer commissioned, funding levels have been reduced, or the threshold for accessing services has increased. There is evidence in some areas that some services have been decommissioned or replaced with less expensive forms of provision. Increasingly, there is a trend towards re-profiling or substituting certain elements of housing support (previously funded via commissioned services) towards intensive housing management services to be funded by Housing Benefit (under the Specified Accommodation rules). However, where charges relate to services which 'are not connected with the provision of adequate accommodation', they 'shall not be eligible to be met by Housing Benefit' (Housing Benefit Regulations. No. 213. Schedule 1. Part 1, (1) (g)). This includes 'charges in respect of general counselling or of any other support services, whoever provides those services' (Housing Benefit Regulations. No. 213. Schedule 1. Part 1, (f)).
29. 'Intensive housing management' is referred to in the 'Housing Benefit Guidance for Supported Housing Claims, 2022. pg. 189) as 'a term used to describe the housing management tasks that supported housing providers perform (sometimes with greater intensity) in addition to the duties of a general needs landlord'. It is important to note though that the term is not derived from Housing Benefit legislation.
30. Many stakeholders comment that funding from local authorities has, for many years, not kept pace with inflationary pressures and the rising costs of provision. Typically, the provision of the same services or more services for lower funding is required. Workforce retention and recruitment is a key challenge in maintaining the supply of specialist provision. For providers, the rising costs of provision alongside local

authority funding constraints contribute to difficulties in their ability to maintain optimum levels of service provision. Given this context, many providers and commissioners question the sustainability of existing services in the longer term. Some providers feel that it is not financially viable to supply an adequate level of supported housing services for the funding available in some areas and have taken the decision to no longer tender to deliver these services. Smaller providers or charitable organisations are particularly exposed to reductions in revenue funding streams as this requires greater subsidy from charitable income streams which is not always readily available.

31. Provision of supported housing services to an individual is a key determinant in whether accommodation is considered as part of the supply of supported housing. This means that some provision delivering intensive housing management tasks only, although housing the same client groups as previously, may not be classified as supported housing or Specified Accommodation and may not be captured as supply within existing data sources.
32. Many commissioners and providers cite significant barriers in opportunities to develop new provision. Limited access to adequate levels of longer-term capital funding streams and unreliable revenue funding streams are common factors which constrain development. Other barriers include limited availability of suitable housing stock for conversion; limited availability of land, development sites and the planning system; the high cost of land, property and private sector rents; and the expensive nature of lease-based models of provision.
33. Difficulties in sustaining or expanding the supply of supported housing have occurred alongside increasing demand for supported housing provision. This increase in demand has been seen across client groups and particularly for homelessness, young people, mental health provision, and supported housing for people with learning disabilities and autistic people. The complexity of needs across client groups is also increasing. This requires more intensive and higher levels of specialist support for complex needs which also increases costs. High demand for move-on accommodation is not being met which leads to 'blocking' within the limited supply of supported housing available.
34. Local authority stakeholders acknowledge that increasing demand alongside static or shrinking supply is leading to significant amounts of unmet demand for supported housing. Only eight per cent of commissioners indicate that, in their opinion, there is no unmet need in their local authority. Over half of all commissioners stated that they have some or lots of unmet demand. This is a particular issue in some types of areas – such as areas with high market rents or in more rural locations. Unmet demand is an issue across client groups and is highest for people with mental health problems, single homelessness, people with a learning disability and autistic people, and for young people leaving care:
 - 62 per cent of commissioners report that the number of supported housing units they have commissioned over the past five years has increased;
 - 90 per cent of commissioners feel that the budget assigned within their local authority or County Council for commissioning supported housing was insufficient to meet the demand in their area;
 - 86 per cent of commissioners reported that the demand for supported housing in their local authority or County Council will increase over the next five years;

- 31 per cent of commissioners indicate there is a lot of unmet need for supported housing in their area and a further 21 per cent say there is some unmet need locally.
35. Providers frequently reported that they have experienced reductions in funding for commissioned services in some of their supported housing provision:
- 43 per cent of providers stated that some of their units had been decommissioned or had funding reduced over the past five years;
 - two thirds of providers who had funding reduced or provision decommissioned had remodelled or reduced the support services provided in these schemes.
36. Substantial additional supply is needed if current levels of unmet demand in Great Britain in 2023 are to be addressed:
- between an additional 179,600 and 388,100 supported housing units are needed to address current levels of unmet demand;
 - approximately 91,100 units of these are needed for working age people;
 - a lower estimate of 88,600 units are needed for older people and the upper estimate is 297,000 units.
37. Many local authorities report they face significant challenges in overseeing or having the ability to exert any control over the establishment of non-commissioned supported housing in their area but that this additional supply does not always meet local needs.

How is the demand for supported housing likely to change in the future?

38. Many local authorities find it a challenge to accurately assess the supply, demand and unmet demand for supported housing in their local area. This makes forecasting future demand and co-ordinating new provision relative to strategic need difficult. National projections of the future demand of supported housing to 2040 were developed as part of this study. These estimates take account of the current supply of supported housing in 2023 and assumptions related to the prevalence of need for care, support or supervision for various client groups as well as demographic trends. Current supply of supported housing is estimated to be 634,000 units and the projections estimate that if current rates of provision are maintained, then by 2040:
- an additional 150,500 units of supported housing would be required, an increase of 24 per cent;
 - the vast majority of additional units needed by 2040 will be for housing for older people;
 - if current unmet need (between 179,600 and 388,100 units) grows in line with demographic trends and the prevalence of conditions, and this is also to be addressed, then this would generate the need for between 211,200 and 490,200 additional units;
 - taken together, the growth in current demand and unmet demand by 2040 is estimated to be between 361,700 units and 640,700 units;
 - this means the size of the supported housing sector would need to increase from its current size of 634,000 units to between 995,600 and 1.275 million units by 2040 if current demand and unmet demand is to be met, and demographic and prevalence rates are realised;

- of the supply needed by 2040, 310,800 units will be for working age adult client groups and between 684,800 and 963,800 units will be required for older people.

What are the costs of provision?

Funding for commissioned support services

39. There are two components of supported housing that require funding. The first element is for the cost of providing care, support or supervision which is provided alongside the accommodation to help tenants to live as independently as possible in the community. This can be provided as commissioned support services which are funded by local authorities, County Councils and other statutory bodies. Non-commissioned supported housing uses charitable income, self-funding by the individual receiving the support, or a supported housing provider's other income generating activities to cover the cost of providing support services.
40. Many respondents highlight that the complexity of client needs are increasing over time and that more funding is required to deliver intensive or multi-dimensional support services. In addition, the costs of service delivery have risen substantially in recent years given the recent sustained period of high inflation. Providers commonly raise concerns about increasing expenditure due to additional costs for energy, insurance, maintenance and staffing.
41. The vast majority of commissioners and providers taking part in the study state that the funding landscape for commissioned services is increasingly challenging. Limited resources and budget constraints within local authorities impacts on the level of funding available for commissioning supported housing services. The lack of inflationary uplifts in many commissioning contracts makes it difficult to cover rising costs. For some charitable providers the increase in financial pressures when funding does not keep pace with rising costs creates a financial risk to their long-term viability as supported housing providers.
42. Maintaining staffing ratios to ensure the safety and wellbeing of residents and staff as well as quality of service provided is a key issue. The inability to fund the costs of 24 hour supervision required in some settings is of particular concern. Substitution of support services with intensive housing management services that may be funded by the Housing Benefit system is reported as common practice for example, replacing a support worker with a warden or security guard. However, it is worth noting that intensive housing management services are focussed on the provision of adequate and safe accommodation but do not provide the same level of support to the individual. In the longer term, this may lead to poorer outcomes for those who receive less individual support.
43. The average level of funding provided by local authorities (including funding from other statutory bodies) for commissioned supported housing services varies substantially across client groups. In the main, this reflects the varying level of need for support services within each client group:
 - the median funding for commissioned support services for older people is £210 per week per unit - this predominantly reflects the cost of services for those in extra care provision;
 - the median funding for commissioned support services per unit for short-term or transitional accommodation ranges from an average of £125 per week to £250 per week across all client groups;

- the median funding for commissioned support services per unit of single homelessness provision is on average £165 per week or £8,630 per year;
 - the median funding for commissioned support services per unit of provision for young people leaving care is on average £250 per week or £12,900 per year.
44. The highest levels of average funding per unit are for support services for people with disabilities. Whilst substantial funding is required, this tends to be lower than a placement in an institutional setting. Commissioners were asked to include funding from other statutory bodies within the data they provided:
- the median funding provided for commissioned support services for people with mental health problems is an average of £408 per week or £21,216 per year per unit of provision;
 - the median funding for commissioned support services for people with a learning disability and autistic people is an average of £919 per week or £47,788 per year per unit of provision.
45. The data on average levels of funding provided by commissioners has been combined with the stock estimates by client group, and Provider Survey data on the proportion of stock by client group which is commissioned. This allows an estimate of how much annual funding would be needed if the observed funding and commissioning patterns seen in the surveys is replicated across all local authorities in Great Britain. The estimates indicate that between:
- £2.11 billion a year would be required if the lower quartile of average funding per unit is used as the basis of an estimate;
 - £4.43 billion a year would be required if the median of the average funding per unit is used as the basis of the estimate.
46. The large range in estimates of funding required reflects the wide variation in average funding per unit reported by local authorities for supported housing for people with learning disabilities and autistic people, and for people with physical disabilities. If the lower quartile of average funding per unit is used for these latter two groups, alongside the median level of funding per unit for all other client groups, then the estimate of overall annual funding required is £2.71 billion a year.

Funding for accommodation via the Housing Benefit system

47. The second element of funding required for supported housing is the cost of the accommodation itself. For individuals on a low income who have been assessed as needing care, support or supervision, and live in Specified Accommodation, then the cost of the accommodation (rent and eligible service charges) can be provided by the Housing Benefit system. The level of payment of rent and eligible service charges is individually assessed. People of pension age or above who do not have 'more than minimal' care, support or supervision needs, can still apply for Housing Benefit but under the rules for general needs accommodation. Some working age people who live in supported housing which does not meet Specified Accommodation rules can receive help with housing costs through the housing element of Universal Credit. The costs of care, support or supervision cannot be funded by Housing Benefit or Universal Credit.
48. Local authorities administer the Housing Benefit system. This includes the assessment of supported housing claimants to see if they fall within four categories of Specified Accommodation: Exempt Accommodation, Managed Properties, Refuges and Local Authority Hostels. A complex set of Housing Benefit regulations for each of

these categories exist which are related to the type of landlord and who is responsible for providing the care, support or supervision. The rules for Specified Accommodation also determine whether rent and services charges are assessed under the pre-or post-1996 Housing Benefit regulations and the level of rent that is eligible for Housing Benefit. Many providers and Housing Benefit teams describe the process of negotiating rents and service charges for Specified Accommodation as one of the most time consuming and resource-intensive activities they undertake.

49. The Commissioner Survey indicates that 43 per cent of respondents think that the replacement of previously commissioned support by providers with other housing-related services deemed as 'intensive housing management', is one of the factors contributing to the higher cost of supported housing relative to general needs provision. Intensive housing management is not defined in Housing Benefit legislation. However, intensive housing management services (which are related to the provision of adequate accommodation and are therefore deemed as eligible service charges under Housing Benefit rules) are increasingly being used to replace previously commissioned support services.
50. It needs to be remembered that intensive housing management services are not providing an equivalent level of specialist support to the individual, but instead focus on delivering the accommodation element of supported housing schemes. Therefore, Housing Benefit eligible service charges are increasingly providing funding for support related to providing adequate accommodation and are being used to replace some elements of support services for the individual which were previously funded by local authorities. Charges which are not related to the provision of adequate accommodation are ineligible service charges under Housing Benefit rules - including care, support or supervision (Housing Benefit Regulations. No. 213. Schedule 1. Part 1, (1) (f) and (g)).
51. Data from the Single Housing Benefit Extract for Great Britain indicates that the average weekly eligible rent (including eligible service charges) for Specified Accommodation Housing Benefit claims in Great Britain in November 2023 was:
 - £247 per week for all Specified Accommodation;
 - £266 per week for working age households within Specified Accommodation;
 - £178 per week for pensionable age households within Specified Accommodation.

This compares to the average weekly eligible rent (including eligible service charges) for Housing Benefit claims that fall within the rules for general needs accommodation in Great Britain in November 2023 of:

- £128 per week for all Housing Benefit claims assessed under the rules for general needs accommodation;
 - £141 per week for working age households within general needs accommodation;
 - £115 per week for pensionable age households within general needs accommodation.
52. Combining information across data sources allows estimates of the annual cost of the accommodation element of supported housing to the benefits system, primarily through Housing Benefit payments, to be created. These estimates are based on the average Housing Benefit awards by age group for each nation, for the proportion of supported housing that receives benefits towards their housing costs, calculated separately for claims within Specified Accommodation and non-Specified

Accommodation. Newly available data from the Single Housing Benefit Extract for November 2023 allows a more accurate assessment to be made than was possible in 2016. Therefore, these estimates of costs for 2023 should not be directly compared to those previously produced as part of the 2016 Supported Accommodation Review as both studies are based on different methodologies and underpinning data sources.

53. The estimated annual cost to the benefits system for all accommodation costs associated with supported housing in 2023 is:
 - £4.09 billion per year for all supported housing;
 - 88 per cent of which is for tenants in England, six per cent is in Scotland, and five per cent is in Wales;
 - £2.72 billion is for Specified Accommodation (67 per cent);
 - £2.35 billion is for working age provision (57 per cent).
54. Housing Benefit regulations determine how much subsidy can be claimed back from the Department for Work and Pensions by each local authority to cover the cost of their Housing Benefit expenditure. The subsidy system is not intended to reimburse 100 per cent of all Housing Benefit awards paid by local authorities in certain cases, particularly where the local authority is unable to restrict the rent for Exempt Accommodation claims. Whilst this is outside the control of the local authority, lower rates of subsidy still apply above the level of a Rent Officer Determination.
55. The level of subsidy varies by the type of accommodation, landlord and the eligible rent rules which apply. Subsidy loss is an increasing issue for many local authorities. Especially for some local authorities with larger numbers of non-registered providers delivering non-commissioned services as this can lead to significant shortfalls in funding or subsidy loss. The National Audit Office estimated that across local authorities in England between 2017-2018 and 2021-2022, subsidy loss more than doubled in cash terms from £53.8 million to £108 million.

How do commissioning practices vary across local authorities?

56. Evidence emerged throughout the study of varied approaches to the procurement and commissioning of housing support services being taken across different places and for different client groups. In part, these reflect national policy frameworks, local policy priorities, and funding available in local authority budgets. This means the levels of funding available, provision commissioned, and access to services is not uniform across local authorities.
57. Diverse procurement practices are deployed across local authorities and County Councils. Many are in the midst of reviewing, or have recently reviewed, supported housing services. This has led to changes in the way that services were commissioned and a move towards different supported housing models and contracts. Common procurement approaches taken include the use of block contracts, open tenders, consortia arrangements, framework agreements, negotiated contracts, and spot purchasing.
58. From local authorities' perspectives, procurement practices often reflect local budgetary constraints and the need to reduce costs whilst ensuring statutory services are delivered. Demand for services is increasing, but these often have to be delivered within the same budget envelope. Many commissioning contracts are not index linked to inflation over the lifetime of a contract – which can often be for three to five years. Increasingly, procurement practices have moved away from the use of block contracts

which guarantee funding of bedspaces or units. Often more flexible allocation of resources or consortia approaches are being introduced. At times, this can lead to limited availability of certain types of provision and an increase in the use of spot purchasing. However, this can be an expensive procurement method, is less strategic, and can result in higher transactional costs.

59. Providers generally see the shifting procurement landscape for commissioning supported housing services as challenging. Short-term contracts make it difficult for some organisations, especially smaller charitable providers, to generate stable income streams and sustain the supply of services. The move away from block contracts in some areas leads to difficulties for some providers to cover the costs of provision, especially with respect to voids, and maintain consistent revenue streams. Placements for some services require careful matching of clients to others in shared households and this can at times lead to lengthy voids which are not covered by more ad hoc approaches to commissioning services.
60. The lack of inflationary uplifts during the lifetime of contracts, especially following the recent period of high inflation, is of key concern to many providers. Their ability to cover the rising day-to-day running costs of service provision, for example increases in the living wage, without adequate funding is limited and seen as a risk to the sustainability of future service provision. Limited availability of stable revenue income streams impacts on providers' ability to cover the costs of staffing and maintenance, invest in staff training, and retain skilled support staff.
61. Many stakeholders note that there is an ongoing evolution of commissioning practices and that many areas have been in a state of flux for many years. Changes in commissioning practices are not only associated with funding constraints but with the emergence of alternative person-centred delivery models. Many stakeholders feel that increasingly there is a need for a move away from traditional supported housing approaches for many client groups. There is a growing awareness of the potential for co-commissioning alternative delivery models which attempt to address the complexity of need using more holistic approaches. This is especially the case for commissioning practices in relation to homelessness, mental health services, and people with learning disabilities and autistic people. There is also an increasing shift towards more psychologically-informed approaches aimed at providing better support and accommodation for individuals experiencing homelessness.
62. There is evidence of good practice and holistic approaches to commissioning supported housing services across many local authorities. These include understanding local population need as well as wider engagement and consultation with a range of stakeholders and providers. Such activities take place as part of the development of plans through the standard commissioning cycle and result in more strategic approaches to sustaining and developing supported housing.
63. Well managed approaches are usually embedded in housing strategies and other local plans. These plans identify the specialist housing need in the area and how this can be addressed via existing provision or new development of supported housing. Some local authorities are setting up specialist panels and advisory groups to provide frameworks for commissioning supported accommodation services for different client groups. Groups of commissioners made up of multidisciplinary teams are also coming together to manage the housing need, discuss cases and find solutions, scrutinising and validating any new supported housing provision.

How can monitoring of the sector be improved?

64. It is widely acknowledged that there is no single comprehensive or systematic national data source which captures the scale, scope, diversity or costs of the sector (National Audit Office, 2023). The previous major exercise to assess the sector was undertaken for the 2016 Supported Accommodation Review, which is the most comprehensive evidence base to date, is now eight years old. Secondary, administrative and regulatory data sources are generally now the most robust data available. However, often these only provide a picture of various aspects of the supported housing sector, rather than the sector as a whole, and only allow limited insights on provision for specific client groups.
65. This makes it difficult for central government departments to provide policy advice on key issues such as forecasting future demand for provision and estimating revenue requirements. Better data is needed to inform evidence-based policy and funding decisions on supported housing. These include the need to understand long-term supply requirements and funding needs to address the core and systemic issues affecting the sector. Evidence and data gaps are also seen at a local level.
66. Local authorities and County Councils commonly state it is difficult to access readily available and robust local data which informs their understanding of the demand, supply and costs of supported housing in their locality. Understanding unmet need for specific client groups is also difficult when often the data available only reflects waiting lists for existing services.
67. There are a number of overarching considerations that need to be taken into account when assessing options for future data collection and monitoring of the sector. First, the devolution of housing policy across nations makes it difficult to undertake cross national studies. Second, the breadth and accessibility of national regulatory statistics and administrative data has improved over time and this provides a useful basis for future monitoring data within nations. Third, the fragmentation of the system across local authorities means that sample surveys alone are no longer necessarily the best way to assess the size, composition and costs of the sector.
68. Further enhancements to secondary and administrative data should be considered. This includes exploring the potential to expand the variables routinely collected, for example by client group. Less frequent and targeted sample surveys could be undertaken to magnify the power of the secondary data. For example, to assess the supply of supported housing delivered by non-registered providers. Greater accessibility of a wider range of data via online tools which facilitate the exploration of more local authority level secondary and administrative data would benefit local authorities and wider stakeholders. This would assist the development of local strategic plans for assessing the supply and demand for supported housing or tracking trends over time.
69. There is significant variation across local authorities in their systems for recording funding allocated to commissioning supported housing services. Often commissioners, budget allocations and monitoring data can be held separately across different departments, on various databases, and using varying categorisations. Introducing more systematic recording of local authority funding data in a standardised format across all local authorities would allow the collation of funding information on a more systematic, standardised and regular basis. This would allow funding requirements to be assessed, trends to be identified, and benchmarks to be developed to help assess value for money. This would also provide valuable insights and

understanding on the variation in access to service provision depending on where you live.

70. More harmonisation of definitions used, especially in relation to client groups, and standardisation of data requirements for providers and local authorities is needed across various secondary, administrative or regulatory data sources. This would enhance the usability of the data and improve any future monitoring exercises undertaken. Having a prescribed list of eligible services for Housing Benefit would remove some of the ambiguity and inconsistency in the system as to what is seen as fundable for Housing Benefit purposes. This has the potential to make the system more efficient, less resource intensive and more consistent for both local authorities and providers.
71. This study has demonstrated the complexity of the sector as well as the variation across places in access to provision, commissioning practices, delivery mechanisms and funding available. Enhancing future data frameworks to deliver more regular, systematic and standardised monitoring data will aid efficient delivery of the sector and ensure value for money. This would support local authorities to better understand the nature of local supply and demand for supported housing and assist them to strategically plan for future supported housing needs.

1 Introduction

Overview

- 1.1 Supported housing provides accommodation that is designed or designated to come with care, support or supervision to help people who are vulnerable, socially disadvantaged or have disabilities to live as independently as possible in the community. There is an enormous diversity in the people who live within supported housing but broadly it falls into three main types of provision: older people with care, support or supervision needs; long-term provision for people with disabilities or long-term health conditions; and short-term or transitional provision for those in crisis. Supported housing therefore plays a vital role in delivering better life outcomes as well as improved health and well-being for the people who live in it.
- 1.2 Supported housing for older people with care, support or supervision needs take many forms depending on the level of support provided with the accommodation. This can include sheltered housing, retirement villages, retirement housing, assisted living, very sheltered, and extra care housing. These latter three groups – assisted living, very sheltered and extra care housing – are predominantly aimed at older people but can also be used as a housing model for working age adults with disabilities.
- 1.3 Long-term provision includes accommodation with support, primarily for working age people, who might otherwise require institutional care. This includes people with a learning disability and autistic people, people with physical disabilities or people with enduring mental health issues. This type of provision enables people to live as independently as possible in the community and is sometimes also referred to as supported living.
- 1.4 Short-term or transitional supported accommodation is for people that are in crisis for the short to mid-term with a view to moving towards more independent accommodation in the longer term. Duration of stay in short-term provision would typically be for less than two years – although this is not explicitly stipulated within legislation. Short-term provision includes supported housing for single people or families experiencing or at risk of homelessness; young people leaving care; those at risk of domestic abuse; veterans; people with drug or alcohol dependence; prison leavers; and refugees and asylum seekers. The individual level characteristics for these client groups are not mutually exclusive and many people living within supported housing have complex needs. This means that some provision is used flexibly to support more than one client group.
- 1.5 It is widely acknowledged that there is no single comprehensive or systematic national data source which captures the scale, scope, diversity or costs of the sector (National Audit Office, 2023). The government previously commissioned a Supported Accommodation Review in an attempt to provide a more wide-ranging evidence base (Department for Work and Pensions and Department for Communities and Local Government, 2016). The Ministry of Housing, Communities and Local Government, and the Department for Work and Pensions, have therefore commissioned this study from the Centre for Regional Economic and Social Research (CRESR) at Sheffield

Hallam University to provide a comprehensive and up to date evidence base on the size, diversity, variation in commissioning practices, and costs associated with the supported housing sector in Britain. This study was conducted from 2022 to 2023 and takes a mixed-method approach involving large scale quantitative and in-depth qualitative data collection exercises. The aim is to provide a better understanding of the sector to inform the future direction of policy which impacts on supported housing to ensure residents in supported housing receive good quality support and accommodation which represents value for money.

What is supported housing?

- 1.6 Multiple and interchangeable definitions of what constitutes supported housing are used by national governments, local authorities, regulatory bodies, umbrella organisations and providers. Broadly, these fall within an overarching concept of supported housing being:

accommodation which is provided alongside care, support or supervision to help people with specific needs to live as independently as possible in the community

- 1.7 There is no legal or unambiguous definition of the level of care, support or supervision that is required within Housing Benefit rules. Case law for Housing Benefit has established that the terms take on their ordinary meanings but that the level needs to be 'more than minimal'. This leads to various interpretations of 'more than minimal' such as care, support or supervision being sufficient to make a real difference to a person's ability to continue to live in the property. However, the subjectivity and inconsistency in how the definition of what constitutes a minimal amount of care, support or supervision is interpreted, makes measurement of the sector difficult. This leads to a wide range of terminologies and interpretations of how supported housing is defined in existing data sources.
- 1.8 Further complexity in definitions arises when trying to understand the scale or variation in provision across and within sub-groups of tenants in relation to their needs. Classifications of service types delivered, or specific client groups within the sector, are also used interchangeably. In addition, many people living in supported housing also often have entrenched complex needs which means their support requirements can fall within multiple client groups, leading to categorisations which are often not mutually exclusive. This makes estimating the supply and demand for different elements of supported housing provision or assessing the characteristics of individuals living within sub-sectors difficult to quantify.
- 1.9 Supported housing is provided by a wide variety of landlords, delivery models and funding mechanisms. Whereas Housing Benefit regulations are a 'reserved' matter and so apply across Great Britain, the wider legislative, regulatory and policy frameworks for supported housing are a devolved matter and so differs across England, Scotland and Wales. This leads to subtle differences in published official statistics which are compiled through regulatory and administrative data. Each system only captures aspects of supported housing rather than the totality or diversity of supply, costs of provision, or characteristics of people living in the sector within each nation.
- 1.10 Comparability, definitions and measurement issues are further compounded by additional layers of categories relating to how supported housing is funded across England, Scotland and Wales. Two key funding mechanisms need to be considered:

the Housing Benefit system funds the accommodation element of supported housing, and housing related support services to enable residents to live independently are funded separately, often through services commissioned by the local authority. A brief overview of these policy areas is provided below but a more in-depth discussion is provided in Chapter 2.

- 1.11 The scope of this study is to consider supported housing that is provided by a social landlord, charity, non-profit voluntary organisation or the local authority. This study excludes 'floating support' services where this is not designated to the accommodation. This study also excludes residential care homes and owner-occupied properties.

Policy overview

- 1.12 The complexity of the policy and legislative landscape for the supported housing sector across Great Britain is not to be underestimated. Various aspects of policy, funding mechanisms and legislation which impact on the sector are devolved matters and therefore rest with each national government. At points in time, these devolved policy areas overlap or move in the same direction and at other times they diverge. Other legislative frameworks with regards to the social security system (in the main) and including the operation of the Housing Benefit system are 'reserved' matters and so the UK Parliament oversees these areas of policy for all of Great Britain. This policy landscape is explained in depth in Chapter 2 but a brief overview is provided here.
- 1.13 In England, the Ministry of Housing, Communities and Local Government are responsible for housing policy including the quality, revenue funding to local authorities, and capital funding for the supply of supported housing. The latter includes the Affordable Homes Programme which is administered by Homes England to encourage the development of new social housing including supported housing. Regulatory oversight of social housing in England, including supported housing, is undertaken by the Regulator of Social Housing. Their responsibilities include both economic and consumer standards in the sector.
- 1.14 The Department of Health and Social Care is responsible for policies in England which seek to give people the choice to live as independently as possible and remain healthier in their own homes for longer. They also allocate funding via the Care and Support Specialised Housing Fund for capital expenditure for new supported housing specifically for older people, people with disabilities or people with mental ill health. The Department for Education is responsible for policies relating to young people leaving the care system which is one of the client groups for which the sector provides supported housing.
- 1.15 Individual local authorities are responsible for commissioning local supported housing services which provide care, support or supervision alongside the accommodation. These support services facilitate a resident's ability to live as independently as possible in the community and enable them to remain in the accommodation. Examples of housing support services includes coaching in life skills, debt counselling and budgeting advice, drug or alcohol counselling, and other support that does not constitute personal care.
- 1.16 In England, the funding for commissioned services comes from local authorities' annual Revenue Support Grant which they receive from central government funding. However, as there is not a specific ring-fenced allocation for supported housing, commissioning practices vary notably by place depending on local funding priorities.

Non-commissioned supported housing, i.e. not directly funded by a local authority or other statutory body, are still expected to provide support alongside accommodation. This may be funded by alternative methods such as charitable income, by the resident or in some cases by a supported housing provider's own funding via cross-subsidy from other income streams.

- 1.17 In Wales, supported housing is the responsibility of the Housing Directorate of the Welsh Government. They administer the Housing Support Grant which provides revenue grant funding to local authorities to plan and commission appropriate housing-related support services from the third sector and Registered Social Landlords. The Housing Support Grant is a ring-fenced amount for commissioning services and the practice guidance (Welsh Government, 2023) which accompanies the fund means a more consistent approach is taken to commissioning practices across local Welsh authorities. The Welsh Government also allocates capital funding for new affordable housing, including supported housing, via the Social Housing Grant. The regulation of social housing in Wales is undertaken directly by the Welsh Government.
- 1.18 The Scottish Government has an Independent Living policy framework which enables local authorities to commission supported housing to help older people and people with disabilities to live independently in the community. Local authorities receive funding via an annual local government finance settlement but supported housing is not ring-fenced within this. The Scottish Government has also been operating a Housing First approach since 2021. This aims to offer a settled home first with intensive support for people who have multiple and complex needs or a history of homelessness. The Scottish Budget has made funding available to local authorities to deliver Rapid Rehousing Transition Plans. In Scotland, the Scottish Housing Regulator is responsible for regulating all social housing provided by local authorities and Registered Social Landlords.
- 1.19 Housing Benefit policy, legislation and regulations are the responsibility of the Department for Work and Pensions. Unlike housing policy, which is a devolved matter, Housing Benefit is a reserved matter and the same rules and regulations apply across England, Scotland and Wales. Housing Benefit provides financial support, to those who need it, towards the cost of the accommodation element of supported housing.¹ However, Housing Benefit cannot be used to cover the costs of care, support or supervision as these are ineligible service charges under Housing Benefit regulations.
- 1.20 The Housing Benefit system is administered by individual local authorities all following the same regulations. The rules are very complex and vary by different types of supported housing which are known as Specified Accommodation. These categories are determined by the type of landlord; if care, support or supervision is being provided; and if so by whom. These Housing Benefit rules determine how the eligible rent and service charges for each Housing Benefit claim is calculated. The subsidy rules determine how much subsidy can be reclaimed by the local authority from the Department for Work and Pensions to cover the costs of Housing Benefit awards made. This is not automatically 100 per cent of Housing Benefit costs and can lead to subsidy loss for individual local authorities depending on the composition of provision in their area.

¹ Housing Benefit is also available to wider groups of claimants not living in supported housing. See fuller discussion of Housing Benefit regulations in Chapter 2 and Chapter 7.

1.21 The complexities of the Housing Benefit system, the national policy and regulatory frameworks are discussed in more detail in Chapter 2.

Research objectives

1.22 The overview of the Housing Benefit policy and national policy frameworks for the delivery of supported housing in England, Scotland and Wales demonstrates the complexity of the sector. The funding regimes differ by nation as do the regulatory frameworks. There is a wide variety of supported housing providers operating in the sector delivering a range of service models across different client types. It is widely acknowledged that the data available on the sector is at best partial, often based on different definitions depending on the purposes for which it is collected, and therefore only captures elements of the sector. The last comprehensive review of supported accommodation across Great Britain in 2016, which was jointly commissioned by the Department for Work and Pensions and the Ministry of Housing, Communities and Local Government (then the Department for Communities and Local Government), is often used as a key reference point for evidence on the sector is also now quite dated.

1.23 This study therefore aims to provide an up-to-date understanding of the supported housing sector in England, Scotland and Wales in 2023. Specifically, the project aims to address six overarching research questions:

- **What is the size and composition of the supported housing sector?** How much provision is there, for which service types, and for which client groups?
- **Which issues impact on the supply and demand for supported housing?** To what extent does the supply of commissioned or non-commissioned supported housing services meet existing demand from client groups and what are the perceived barriers to developing additional supply?
- **How is the demand for supported housing likely to change in the future? How much supported housing might be needed in the future** given current supply, demand, unmet demand and changing population demographics?
- **What are the costs of provision?** What is known about average rents, service charges and funding from local authorities for commissioned housing support services and how do these vary by client group?
- **How do commissioning practices vary across local authorities?** What works or does not work well in current commissioning practices, how have they changed over time, and to what extent does partnership working exist between local commissioners, Housing Benefit teams and supported housing providers?
- **How can monitoring of the sector be improved?** Given the varied definitions used within the sector and lack of systematic data which provides a complete overview of the entire sector, how might future monitoring data be enhanced to improve understanding of the sector?

Research design

1.24 This study takes a mixed method approach which enabled the collection of the breadth and depth of data required to address each of these research questions. A range of primary, secondary, quantitative and qualitative data sources have been analysed to allow triangulation across all the evidence collected. An overview of the design of the four key research strands of the study are presented below. More detail on the technical aspects of research design including survey design and detailed response rates for each of the surveys are included in Appendix A1.

Strand 1 – Scoping exercise and engagement activities

- 1.25 The initial strand of the research included a series of scoping interviews and engagement exercises with a wide range of stakeholders and organisations across the three nations. A literature review and data review were conducted as part of the exercise. This informed the research design, maximised engagement and participation in the research, and supported the implementation of the research. An iterative approach was taken throughout the study to respond to feedback from stakeholders. This included a Working Group of national stakeholders which met at various points during the research design process to contribute to the development of the research instruments. The engagement activities informed and adapted the research design to maximise breadth, depth and coverage of data collection. A Feasibility Report and Interim Report were produced as part of this exercise to formulate the approach taken.

Strand 2 – Secondary and administrative data analysis.

- 1.26 The second strand of the research assessed a range of secondary and administrative data sources on various aspects of social housing in Britain. This included analysis of official statistics collected as part of the regulatory frameworks for registered social landlords or registered providers in each country. In England, the Local Authority Data Return and Statistical Data Return which are collected by the Regulator of Social Housing to provide data on social housing stock and rents have been analysed; in Scotland, Scottish Housing Regulator and Scottish Government data tables on social housing and homelessness statistics have been used; and in Wales data on social housing stock and rent has been extracted from Stat-Wales.
- 1.27 This data is used as the building blocks for creation of estimates of the scale, distribution and characteristics of supported housing across Britain (Chapter 3). Other secondary data sources have been analysed and are deployed throughout this report to inform other aspects of the research questions. This includes data available from the Continuous Recording of Lettings in Social Housing (CORE) on the characteristics of tenants and rents for all new lettings by social landlords in England. The Department for Work and Pensions also supplied a snapshot dataset taken from the Single Housing Benefit Extract for November 2023 which records all Housing Benefit claims in Great Britain. This allowed an analysis of Specified Accommodation claims to be undertaken.

Strand 3 – Primary surveys

- 1.28 Several of the issues the research seeks to understand cannot be readily addressed via existing data sources. This includes understanding the extent to which supported housing is providing commissioned housing support services rather than non-commissioned services and how this differs by service types or client groups. Limited secondary data exists on the characteristics of supported housing that falls within or outside of the Housing Benefit Specified Accommodation rules. Details of rent levels and service charges for specific service types or client groups are also limited from secondary data sources.
- 1.29 Three online surveys were designed and implemented to capture a range of additional data from three different stakeholder perspectives: Local Authority Housing Benefit Team Survey (173 respondents; response rate 50 per cent); Local Authority and County Council Commissioner Survey (79 respondents; response rate 39 per cent); and a Supported Housing Provider Survey (189 respondents; response rate 28 per cent). The three surveys included questions about stock, rents, service charges,

demand for services, unmet need and commissioning practices. All three surveys gave respondents a chance to provide their views to a series of open-ended questions about their perceptions on the key issues affecting the sector in respect of funding, policy and the future development of supported housing.

Strand 4 – In-depth case studies.

- 1.30 In addition to the primary and secondary quantitative data analysis, a series of 16 in-depth case studies were undertaken with a range of stakeholders in local authorities, wider statutory bodies and a range of supported housing provider organisations. The majority of the interviews were within and between organisations in particular localities or with providers and commissioners delivering supported housing for particular client groups. The case studies were also supplemented with the written responses to the open questions in the three primary surveys with local authority Housing Benefit teams, local authority and County Council commissioners, and providers. A number of ad-hoc interviews were also undertaken to provide additional insights on particular issues for a wider range of localities or in relation to specific client groups.
- 1.31 In total, interviews with 135 professionals were undertaken lasting approximately an hour each. Respondents gave informed consent to take part in the research. Two semi-structured interview schedules were developed; one for respondents in local authorities or statutory bodies and another for respondents within provider organisations. The schedules were adapted and used flexibly depending on the respondent's job role or area of expertise. Interviews were recorded, transcribed or written up via detailed notes. The material was organised and analysed thematically under the key research questions and sub-questions operationalised via the interview schedules. All organisation details have been anonymised to facilitate an open and free conversation with participants.
- 1.32 There were eight locality-based case studies. These included interviews with Housing Benefit teams, commissioners, and a range of supported housing providers within different geographic locations at various spatial scales. These included two national case studies undertaken across Scotland and Wales; one regional case study covering a range of local authorities and providers within it; and localities and providers within two Combined Authorities – one predominantly urban and the other a mix of urban areas with a large rural hinterland. Further locality-based case studies were undertaken within a County Council area, a London Borough, and a large metropolitan district.
- 1.33 In addition, six case studies are based on interviews with a range of commissioners and providers working with specific client groups. These included case studies focussing on provision for: older people; homelessness; domestic violence; veterans; people with learning disabilities and autistic people; and mental health provision. The last of these cases studies, for people with mental health issues, also included interviews with people working in the NHS to capture views on wider statutory bodies that may be involved in commissioning such provision. A further case study centred on views from Housing Benefit teams across a number of local authorities. The final case study focused on interviews undertaken with senior housing professionals, in different roles within a large national provider, working with all client groups across a large number of local authorities nationally.

Report structure

- 1.34 The following chapter sets out the policy context in more detail. This provides an explanation of the complex regulations within the Housing Benefit system and how they are operationalised in relation to different categories of supported housing. The differences in funding mechanisms for commissioned and non-commissioned housing support services, and the regulatory frameworks operating in each of the three nations is also discussed.
- 1.35 The remainder of this report sets out the findings from the quantitative and qualitative data collection and analysis. Each of the chapters address specific elements of the overarching research questions in turn. The data generated from all sources, both qualitative and quantitative, are integrated within each chapter to provide a rounded view of all the evidence collected in relation to each of the issues.

2 Policy context

Housing Benefit policy for supported housing

- 2.1 Housing Benefit policy, legislation and regulations are the responsibility of the Department for Work and Pensions. Unlike housing policy, which is a devolved matter, Housing Benefit policy is a reserved matter and applies across England, Scotland and Wales. Since 1996, Housing Benefit regulations operate differently for supported housing claims than for claimants living in general needs properties (Housing Benefit Regulations 2006, Regulation 75H).
- 2.2 The starting point for any Housing Benefit claim being made to cover the housing costs of people living in supported housing is that the individual making a claim must have been assessed as needing care, support or supervision on entering supported housing. There are then additional requirements that also need to be met that are set out in the Department for Work and Pensions 'Housing Benefit Guidance for Supported Housing Claims' (Department for Work and Pensions, 2022).
- 2.3 Housing Benefit requirements for supported housing relate to the type of landlord, whether care, support or supervision is being provided, and by whom. These rules determine how the eligible rent and service charges for the Housing Benefit claim are calculated. Guidance for local authorities about the Department for Work and Pensions' subsidy rules is set out in the Housing Benefit Subsidy Guidance Manual 2022-2023 (Department for Work and Pensions, 2023). This guidance manual is updated annually.

Exempt Accommodation

- 2.4 The Housing Benefit regulations introduced in 1996 are an important starting point for various classifications of supported housing that are eligible for higher levels of Housing Benefit. These regulations created an **Exempt Accommodation** definition to protect those people living in supported housing from the maximum rent restrictions rules when rent exceeds a Rent Officer Determination. Supported housing needs to meet one of two criteria to be classified as Exempt Accommodation: either being a resettlement place or being supported accommodation provided by a landlord who is a non-metropolitan County Council (in England), a Housing Association, a registered charity or a voluntary organisation; and the landlord, or someone acting on their behalf, provides the tenants with care, support or supervision.² The landlord must also meet the requirement of being a not-for-profit organisation and issue the tenancy or licence agreement to the tenant.
- 2.5 The Exempt Accommodation definition acknowledges that the costs of managing shared and supported housing are higher than in general needs provision. For

² A "resettlement place" is defined in the Jobseekers Act 1995, section 30 (2) this refers to places: at which persons without a settled way of life are afforded temporary accommodation with a view to assisting them to lead a more settled life. The grant funding for resettlement places to provide temporary accommodation for single homeless people no longer exists but establishments which were previously funded on this basis, and continue to operate on this basis, are eligible for Exempt Accommodation status.

example, this may be due to higher maintenance, repairs and renewal costs or additional security, health or safety measures required. Therefore, the eligible rent for Exempt Accommodation continues to be calculated using the pre-1996 Housing Benefit rules and are not subject to local maximum rent restrictions introduced in 1996. That said, the pre-1996 rules do allow the local authority to restrict the rent to the level seen in alternative suitable accommodation if they consider the rent to be unreasonably high or the accommodation is too large for the claimant's needs.

- 2.6 However, whilst in theory it is possible to restrict the rent for Exempt Accommodation, this is not straightforward given a number of caveats in Housing Benefit regulations which protect households containing a vulnerable person (Department for Work and Pensions, 2022: 220-221). This includes cases where a member of the household may be of state retirement age, has Limited Capability for Work, or is responsible for a child living at the same address. In these situations, it is not possible to restrict the rent unless there is suitable cheaper alternative accommodation which is available to the household, that they would be able to obtain this alternative accommodation, and that they want to move there. If a claimant had little chance of being able to obtain such a property, for example because a large deposit is required, then the alternative accommodation would not be seen as being available. It is also acknowledged in the regulations that moving to alternative accommodation is not a reasonable expectation if this would have a negative impact on the claimant's ability to maintain their employment or if it would require a child within the household to have to move school.
- 2.7 The difficulties for local authorities' to restrict rent for Exempt Accommodation has wide ranging implications for local authority budgets. Whilst 100 per cent of subsidy can usually be claimed by local authorities from the Department for Work and Pensions to cover the cost of Housing Benefit for Exempt Accommodation claims for Registered Social Landlords and local authorities, for other providers the subsidy payable to local authorities is limited. This leads to shortfalls in funding which impacts on local authority budgets. Again, the rules and regulations are complex and so the subsidy loss issue is discussed in more detail later in this chapter.

Specified Accommodation

- 2.8 A significant programme of welfare reform began in 2010 in Britain. Several of the measures introduced affect the operation of the Housing Benefit system including changes to the Local Housing Allowance system for assessing eligible rents for Housing Benefit for tenants in the private rented sector, the Welfare Reform Act 2012, and the introduction of Universal Credit in 2013.³ These reforms impact on the level of rent payable under the Housing Benefit system or housing entitlement within Universal Credit as well as eligibility and entitlement to working age benefits. In 2012, the Government announced that claimants living in Exempt Accommodation would continue to have their housing costs administered via the Housing Benefit system rather than via the housing element of a Universal Credit claim. Those living in Exempt Accommodation are also not subject to the Benefit Cap which is part of the wider package of welfare reforms.
- 2.9 In 2014, the Government made further amendments to the Housing Benefit Regulations 2006 and the Universal Credit Regulation 2013 via a Statutory Instrument (2014, No 771). The amendments recognise that there are tenants living in types of supported housing that are not materially different from Exempt Accommodation, but

³ UC gradually replaced six key income related benefits for working age people including Housing Benefit, Jobseeker's Allowance, Employment and Support Allowance, Income Support, Working Tax Credits, and Child Tax Credits.

which do not necessarily meet all the criteria to be classified as such. The amendments ensure that tenants in these wider categories of supported housing are also protected from the unintended consequences of welfare reform.

- 2.10 The 2014 amendments create a new four-fold classification of **Specified Accommodation** for supported housing which provides a gateway for these claims to be assessed under the Housing Benefit system rather than the housing element entitlement within Universal Credit (HB circular A8/2014). The existing category of **Exempt Accommodation is the first category of Specified Accommodation**. The criteria and determination of rents for this category remain the same as prior to 2014.
- 2.11 The **second category of Specified Accommodation is Managed Properties**. As with all categories of Specified Accommodation, the claimant needs to be accepted as a tenant to that property on the basis of a need to receive care, support or supervision which is provided with that accommodation. In line with the Exempt Accommodation definition, the landlord needs to be a County Council (in England), a Housing Association, a registered charity or a voluntary organisation. The main difference compared to Exempt Accommodation is that the care, support or supervision does not need to be provided by the landlord or someone on their behalf. For example, the main care provider may be directly commissioned and acting on behalf of the local authority or other statutory body. If the dwelling meets the criteria for Managed Properties, then the tenant's claim for rent is assessed within the Housing Benefit system and their accommodation claim is excluded from Benefit Cap calculation. However, unlike Exempt Accommodation where the rent is assessed under pre-1996 Housing Benefit regulations, determination of eligible rents for Managed Properties use the same maximum rent rules as regular Housing Benefit claims.
- 2.12 The **third category of Specified Accommodation is Refuges**. This is accommodation provided for people fleeing domestic abuse where the landlord is a local authority, a Housing Association, a registered charity or a voluntary organisation. There is no requirement that care, support or supervision is provided for the property to be defined as a Refuge. As with Managed Properties, the claim for rent is assessed within the Housing Benefit system and is excluded from any Benefit Cap calculation. Eligible rents for Refuges are determined using the same maximum rent rules as regular Housing Benefit claims. Refuges can be classed as Exempt Accommodation if the local authority assessing the Housing Benefit claim is satisfied that the landlord criteria has been met and care, support or supervision is provided as part of the dwelling.
- 2.13 The **fourth category of Specified Accommodation is Local Authority hostels**. These provide supported housing which is not self-contained, is owned or managed by local authorities and provides care, support or supervision for individuals. The claims are managed with the Housing Benefit system, under post-1996 rent setting regulations and claimants are exempt from the Benefit Cap. Hostels which are provided by other not-for-profit landlords, such as Housing Associations, registered charities or voluntary organisations, will fall into either the Exempt Accommodation or Managed Properties categories of Specified Accommodation if they meet the requisite criteria.
- 2.14 **Specified Accommodation is, therefore, only one aspect of supported housing** specifically in relation to those making a claim for assistance with housing costs through the social security system. Living in supported housing which meets the criteria for one of these categories determines: whether the claimant is processed via the Housing Benefit or Universal Credit system; the procedures for payment of rent to

the landlord; and regulations for determining eligible rents, whether they are deemed reasonable or can be restricted. This in turn has implications for the amount of subsidy that can be claimed by local authorities from the Department for Work and Pensions to cover the costs of Housing Benefit claims and this potentially has negative impacts on local authority budgets when subsidy loss occurs.

- 2.15 It needs to be remembered that there will be additional claimants who live in supported housing but whose property is assessed as not having met the criteria to be classified as Specified Accommodation under Housing Benefit rules. For example, working age claimants making a claim for Universal Credit are asked if they require housing costs and to declare if they live in supported or sheltered accommodation. They are then referred to their local authority to make a claim for Housing Benefit. The local authority is then responsible for making a determination as to whether the Housing Benefit claim falls within one of the four categories of Specified Accommodation. Until the local authority makes this decision, the claimant cannot receive help with their housing costs from Universal Credit or Housing Benefit. The claim continues in the Housing Benefit system if it is deemed Specified Accommodation but if it is not Specified Accommodation, and the claimant is of working age, then the claim is processed through Universal Credit housing entitlement. These claimants, that instead need to request their housing costs to be covered by Universal Credit housing entitlement, are advised they cannot declare they live in supported or sheltered accommodation. Potentially, this leads to an under-recording on both the Housing Benefit and Universal Credit systems of people with need for care, support or supervision living in supported or sheltered accommodation if this falls outside the Specified Accommodation definitions for administrative purposes.

Subsidy loss

- 2.16 Local authorities administer the Housing Benefit system and claim back a subsidy from the Department for Work and Pensions to cover the cost of Housing Benefit claims in their area. However, the rules on the level of subsidy that can be claimed back from central government depends on a complex set of rules and regulations (Department for Work and Pensions, 2023). These rules vary by the type of landlord, the type of accommodation provided, and the Housing Benefit regulations for determining eligible rent which apply.
- 2.17 All Exempt Accommodation claims are assessed under the pre-1996 Housing Benefit regulations and must be referred to the Rent Officer unless the landlord is a Registered Social Landlord (as defined in the Housing Associations Act 1985) or local authority, and the rent charged is not deemed to be unreasonably high and the accommodation is not larger than is deemed necessary.⁴ In these cases, a rent referral is not necessary and 100 per cent of the subsidy can be claimed back from the Department for Work and Pensions.

⁴ The Housing Benefit Regulations (2006) Regulation 2(1) state that: "housing association" has the meaning assigned to it by section 1(1) of the Housing Associations Act 1985.

Section 1(1) of the Housing Associations Act 1985 states: 1 Meaning of "housing association" and related expressions: (1) In this Act "housing association" means a society, body of trustees or company (a) which is established for the purpose of, or amongst whose objects or powers are included those of, providing, constructing, improving or managing, or facilitating or encouraging the construction or improvement of, housing accommodation, and (b) which does not trade for profit or whose constitution or rules prohibit the issue of capital with interest or dividend exceeding such rate as may be prescribed by the Treasury, whether with or without differentiation as between share and loan capital.

- 2.18 However, in all other cases, Exempt Accommodation which is provided by a landlord which is not a Registered Housing Association or local authority, regardless of whether the size and rent charged are deemed reasonable, a referral must be made to the Rent Officer to determine what the rent should be. The Rent Officer Determination uses market rent for general needs accommodation and applies an uplift to reflect the additional cost of supported housing. The Rent Officer Determination can be lower than the rent that a provider asks for. In these cases, 100 per cent subsidy will only be paid for the Housing Benefit award up to the level of the Rent Officer Determination. If the Rent Officer Determination is lower than the rent set by the provider, the local authority then considers whether there is suitable alternative accommodation for the resident before they can restrict the Housing Benefit award. If there is not suitable alternative accommodation, the local authority will not be in a position to restrict the Housing Benefit award.
- 2.19 The local authority are unable to restrict the eligible rent to the Rent Officer Determination level if the claimant is deemed to be vulnerable (Department for Work and Pensions, 2022: 220-221) and there is no suitable cheaper accommodation available that they can access or it is not reasonable to expect them to move to.⁵ In cases when the claimant meets the vulnerable criteria, the local authority can claim 100 per cent of subsidy for the level up to the Rent Officer Determination level, and 60 per cent of the amount above the Rent Officer Determination. The remaining 40 per cent above the Rent Officer Determination is funded from the local authority budget (Department for Work and Pensions, 2023: 770-771). If the claimant does not meet the criteria to be classified as vulnerable, but requires the supported housing, then the local authority receives zero subsidy for any amount above the rent determination.
- 2.20 For the other three categories of Specified Accommodation (Managed Properties, Refuges and Local Authority Hostels) the rents are assessed under the maximum rent rules in the post-1996 system. In these cases, 100 per cent subsidy can be claimed up to the amount of the Housing Benefit award paid by the local authority.
- 2.21 The operation of the subsidy system therefore leads to significant shortfalls in funding or 'subsidy loss' in some local authority areas. In turn, this impacts on local authority budgets and their ability to deliver local services or cover the housing costs for all those living in supported housing which are not receiving central government funding. This has been identified by some local authorities as placing increasing financial pressures on their budgets (National Audit Office, 2023). The National Audit Office report estimates that this financial loss has more than doubled in cash terms from £53.8 million in 2017-2018 to £108 million in 2021-2022. The Local Government Association (2022:4.5) highlighted that this can be a particular issue in local authorities with high numbers of non-registered providers delivering supported housing. Their analysis of the Department for Work and Pensions audit of Housing Benefit subsidy accounts for 2020-2021 indicates that in England, the Housing Benefit subsidy loss ranged from £0 to £3.7 million and for 23 councils the subsidy loss was over £1 million per year.
- 2.22 Other studies have identified significant issues in the supported housing sector, and specifically Exempt Accommodation, in relation to subsidy loss (Levelling Up, Housing

⁵ "Some claimants or members of their household can be classed as vulnerable. Certain additional conditions apply before the rent can be restricted where the claimant, their partner or other family member (where they live at the same address) falls into one of the following categories of vulnerable groups: reached the qualifying age for State Pension Credit; has Limited Capability for Work; treated as temporarily not having limited capability for work due to a temporary disqualification from Incapacity Benefit (IB) or Employment and Support Allowance (ESA); responsible for a child or young person who lives in the same household." (Department for Work and Pensions, 2022: 220-221).

and Communities Committee, 2022), higher rents being exploited within Housing Benefit system (House of Commons Library, 2023a), and that rent levels are less likely to be challenged for registered providers creating perverse incentives in the system (CRISIS, 2021). These studies suggest that the operation of the Exempt Accommodation rules means that some more unscrupulous providers take advantage of the higher rents available within the Housing Benefit regulations whilst at the same time, providing limited care, support or supervision and poor quality accommodation. Potentially, the Exempt Accommodation rules may be one of the factors which encourage the growth in the number of investment companies operating lease-based models of provision with registered providers in order to navigate the Housing Benefit regulations to their advantage. Depending on the type of landlord and the Rent Officer Determination, some of this provision will not be eligible for 100 per cent subsidy from the Department for Work and Pensions and so this may result in additional subsidy loss to the local authorities.

Lease-based models

- 2.23 Many registered providers own as well as manage their own supported housing stock. Some providers also manage supported housing stock for other social landlords but do not own the stock. In recent years, the sector has also seen an increase in lease-based models where registered providers enter into long-term leasing arrangements with for-profit private landlords, property investment companies or equity investment firms as a way of expanding their supply of supported accommodation. The provider acts as the landlord but then needs to cover the lease fee levied by the owner of the building and so includes this in the rent charged to tenants. This in turn inflates the cost of rents claimed through the Housing Benefit system. It is also possible, within rent and housing legislation, for a registered provider to lease properties from a for-profit private landlord and then rent out a property as "non-social" housing at or above market rent.
- 2.24 Sometimes, lease-based model are operationalised in relation to a specific definition of Specialised Supported Housing which is defined in the Ministry of Housing, Communities and Local Government policy statement on rents for social housing and is exempt from the rent standard.⁶ The guidance stipulates Specialised Supported Housing needs to meet a number of requirements including:
- being specifically designed or adapted for people who require specialised services to enable residents to live independently in the community;
 - providing a high level of support of an equivalent level of the services or support that would be provided in a care home for residents whose only alternative would be a care home;
 - being provided by a private registered provider under an agreement with a local authority or the NHS and rent charged complies with this agreement;
 - and the Specialised Supported Housing did not receive public assistance (also defined in the regulations) for its construction or acquisition of the property.
- 2.25 Whilst the Department for Work and Pensions recognises that lease-based models can be a legitimate way of providing an expansion in supported housing supply, the Department for Work and Pensions notes that this needs to be accompanied by good governance, be financially viable and not take advantage of the Housing Benefit

⁶ See Department for Levelling Up, Housing and Communities, 2022b: 5.5 and Department for Levelling Up, Housing and Communities, 2024: 2.2 respectively.

system (Department for Work and Pensions 2022: 126-133). The Department for Work and Pensions Housing Benefit guidance states that local authorities should therefore make additional checks when processing Housing Benefit claims for Specialised Supported Housing including conferring with the local authority commissioning team regarding the arrangements in place.

- 2.26 The Regulator of Social Housing in England also acknowledges the role of private investment in developing much needed growth and sustainability in the supported housing sector. However, the Regulator of Social Housing has become increasingly concerned that lease-based models for Specialised Supported Housing are exposing some providers to additional financial burdens and unacceptable levels of risk which also has implications for their tenants (Regulator of Social Housing, 2019). Amongst the concerns voiced by Regulator of Social Housing include the long-term sustainability of lease-based models, poor service delivery, and weak governance. The Charity Commission have also raised questions about the implications of charities taking up this delivery model (Charity Commission, 2023). CRISIS have commented on the abuse of lease-based models in their briefing on Exempt Accommodation Housing Benefit rules (CRISIS, 2021) and the Local Government Association have provided additional guidance to local authority and NHS commissioners who may be working with lease-based providers (Local Government Association, 2020).

Commissioned and non-commissioned supported housing

- 2.27 Whilst Housing Benefit pays for the accommodation element of supported housing, the costs of care, support or supervision cannot be met through Housing Benefit payments and are ineligible service charges. It is expected that a person living in supported housing has been identified as being in need of, and provided with, more than a minimal (as generated by case law) amount of care, support or supervision which helps them to live as independently as possible in the community. This support comes with the accommodation and can be provided by the landlord, someone acting on their behalf or acting on behalf of the local authority. The care, support or supervision provided facilitates the resident's ability to remain in the accommodation. The level of support needed will vary depending on service type, client type and an individual's needs. Examples of support services include coaching in life skills, debt counselling and budgeting advice, drug or alcohol counselling, and other support that does not constitute personal care.
- 2.28 For Housing Benefit purposes, it is expected that all categories of Specified Accommodation, with the exception of Refuges, come with evidence of a funded package of care, support or supervision. In many cases, the support package may be directly commissioned, paid for and monitored by the local authority, County Council or other statutory service. In these cases, it can be more straightforward for Housing Benefit purposes to recognise that an assessment of need has been undertaken and an appropriate level of funded support is being provided. However, not all supported housing provision is directly commissioned or funded in this way and non-commissioned services make up an increasing segment of the market. Non-commissioned supported housing provision may be funded by alternative methods such as charitable income, by the resident or in some cases by a provider's own funding via cross-subsidy from other income streams.
- 2.29 Funding mechanisms for local authorities to directly commission housing support services have changed significantly over the past 20 years. In 2003, the Supporting People Programme was introduced across the UK as a mechanism for unifying funding for housing related support services for vulnerable groups to enable them to live

independently in the community (House of Commons Library, 2012; Department of Social Security, 1998). However, whilst the Department for Work and Pensions is responsible for a unified Housing Benefit policy across Britain, housing policy is the responsibility of each individual nation. The Supported People Programme was, therefore, operationalised differently and has evolved over time in England, Wales and Scotland.

Commissioned housing support services in England

2.30 In England, the Ministry of Housing, Communities and Local Government is responsible for housing policy and housing quality. The Ministry of Housing, Communities and Local Government and the Department of Health and Social Care, are responsible for revenue funding and capital funding for the supply of supported housing. The Department of Health and Social Care is also responsible for policies which aim to give more people the choice to live independently and healthily in their own homes for longer which have a bearing on the sector. The Department for Education is responsible for policies relating to young people leaving the care system who are one of the client groups the sector provides supported housing for. Individual local authorities commission supported housing services for all client groups as well as administering the Housing Benefit system. Accommodation and support services are provided by a range of providers including local authorities, Registered Social Landlords, charities and other voluntary bodies.

2.31 In England in 2003, each local authority was allocated a single, ring-fenced Supporting People grant funding to commission relevant housing support in their area. In 2009, the ring fence was removed and the funding was amalgamated into the Area Based Grant allowing local authorities to decide how the funding was used across any provision of services. This has led to varied commissioning practices across local authorities in England. Whilst some supported housing services continue to be directly funded and commissioned by local authorities, other non-commissioned services receive no direct funding from local government. The National Audit Office 2023 investigation into supported housing states that spending on commissioned support services in England declined by three quarters from 2010/11 to 2019/20 from £1.3 billion to £320 million (p16).

Commissioned housing support services in Wales

2.32 In Wales, supported housing is the responsibility of the Housing Directorate of the Welsh Government. The Supporting People Programme was introduced in Wales in 2003 but was operationalised differently than in England. Initially, the funding was split into two streams:

- The Supporting People Grant (SPG) was administered by Welsh local authorities and used to fund chargeable support services. These services related primarily to long-term support provision, and generally catered for older people, people with learning disabilities and people with mental health support needs.
- The Supporting People Revenue Grant (SPRG) was administered by the Welsh Assembly Government directly to Accredited Support providers and used to fund non-chargeable support services, including short-term support provision.

2.33 Following recommendations in the Aylward Review in 2010, the two funding streams were brought together into a single Supporting People Programme Grant in 2012. This was allocated directly to local authorities outside the Revenue Support Grant and ring-fenced so that it could only be used to fund support services, projects and programmes

to meet the needs of disadvantaged and vulnerable people within the context of the programme.

- 2.34 In 2019, the Housing Support Grant (HSG) was introduced, which merged the Supporting People Programme Grant, elements of the Homelessness Prevention Grant and Rent Smart Wales enforcement funding. Welsh Government officials worked closely with stakeholders to co-produce the new arrangements for the HSG which informed the development of appropriate administrative, governance, planning and monitoring arrangements for the grant.⁷ These are set out in the published Practice Guidance for local authorities which was first published in April 2020 but is updated annually where needed (Welsh Government, 2023).
- 2.35 The purpose of the grant is to prevent homelessness and support people to have the capability, independence, skills and confidence to access and/or maintain a stable and suitable home. It is the main grant available to local authorities to support homelessness prevention, move towards a rapid rehousing approach, and is vital to achieving the Welsh Government's ambition to end homelessness. Grant funding is distributed annually to local authorities (via a historic formula) to plan and commission appropriate housing-related support services from the third sector and Registered Social Landlords in line with the HSG practice guidance. The grant does not fund the statutory duty on local authorities to prevent homelessness. Instead, HSG funded services augment, complement and support statutory services to ensure that the overall offer authorities provide helps people into the right homes with the right support to succeed.
- 2.36 The grant, therefore, supports vulnerable people to address the problems they face, such as debt, employment, tenancy management, substance misuse, domestic abuse and sexual violence, and mental health issues. Support is person centred, aimed at supporting people to secure and maintain sustainable housing by addressing their support needs. The services are provided through a combination of supported accommodation services, floating support services, outreach, and accessible drop-in service models. The people who receive support include: households at risk of homelessness; elderly people in sheltered accommodation; people fleeing domestic abuse; prison leavers; young people leaving care; and people who are sleeping rough.
- 2.37 The HSG Practice Guidance sets out the legislative framework and general principles for the commissioning and procurement of HSG services. This includes the expected approach for local authorities to monitor and review all contracts at least annually and conduct Strategic Reviews of commissioned services every four years. This includes a review that a service continues to provide eligible housing-related support; is meeting its objectives and delivering the expected outcomes as agreed in its contract specification; and can demonstrate that the support provided is enabling and focussed on developing a person's independence and future resilience i.e. 'doing with' as distinct from 'doing for'. The Practice Guidance also sets out key principles to demonstrate 'value for money' of services, that places the needs of people who require services at the heart of the process and enables them to achieve their outcomes.

Commissioned housing support services in Scotland

- 2.38 The Housing (Scotland) Act 2001 sets out requirements for the Scottish Government to provide grants to local authorities to contribute funding for the provision of housing support services to enable people to maintain their accommodation, meet their duties

⁷ Stakeholders include local authorities, Welsh Local Government Association, Cymorth Cymru, Community Housing Cymru, and supported housing providers.

and responsibilities as a tenant, and get involved in the local community. Housing support services are specified in the Act as including “any service which provides support, assistance, advice or counselling to an individual with particular needs with a view to enabling that individual to occupy, or to continue to occupy, as the person’s sole or main residence, residential accommodation other than excepted accommodation”. This includes the provision of floating support in a person’s own home as well as care, support or supervision provided along with supported accommodation. Excepted accommodation are residential care homes and certain hostels which have already received funding to provide supervision or care of prison leavers or people on probation.

- 2.39 The Act also includes a statutory instrument which specifies a list of prescribed housing support services which are eligible for funding (SSI 444/2002). This list of over 20 specified items (Appendix A2) includes for example: general counselling and support including befriending; life skills training; assisting a service user to engage with relevant professionals in wider services; advice and assistance with personal budgeting and debt counselling; and providing, maintaining and responding to emergency alarm systems when they relate to housing support services in accommodation designed or adapted for and occupied by elderly, sick or disabled people. Housing support services provided should not overlap with any similar services provided as part of a personal care package.
- 2.40 The Scottish Government’s Independent Living policy has implications for housing and support services as well as healthcare. The policy framework aims to enable local authorities to commission appropriate supported housing and housing support in their area to assist older or disabled people to live independently in the community in sheltered housing or retirement housing, very sheltered housing with extra care or assisted living accommodation, as well as in their own homes. Support services are also commissioned for temporary or emergency accommodation for people who are at risk of homelessness, are homeless, or have complex needs. A range of providers supply commissioned housing support services, including local authorities, registered social landlords, private companies, voluntary organisations or health and social care partnerships. All housing support delivered by registered providers in Scotland is regulated by the Care Inspectorate.
- 2.41 Funds for housing support were administered via the Supporting People Programme in Scotland from 2003 and, similar to the case in England, the ring fence was removed in 2008. Funding for housing support from the Scottish Government is currently allocated to local authorities via the annual local government finance settlement. The Scottish Budget 2024-25 indicates the funds for housing support are increasing over time: in 2022-23 this was £139.8 million, in 2023-24 this was £150.7 million, and in 2024-25 this was £153.3 million. The 2024-25 Scottish Budget also announced the Independent Living Fund would be reopened to support disabled people to live independent lives.
- 2.42 Since 2021, Scotland has been operating a Housing First approach to provide a housing-led response for people who have multiple and complex needs, and a history of repeat homelessness. This currently operates in 26 of Scotland’s 32 local authorities and the Scottish Government is committed to scaling this up across the country. This approach aims to offer a settled home first with intensive support. The 2024-25 Scottish Budget also allocated £8 million a year between 2022-2024 for all local authorities to deliver Rapid Rehousing Transition Plans to facilitate a housing led approach of offering settled mainstream housing to people who have experienced

homelessness or rough sleeping as quickly as possible to minimise stays in temporary accommodation.

Non-commissioned services

- 2.43 The changing and varied funding landscape by place across Great Britain has led to a growth in non-commissioned services. These can be delivered by registered or non-registered providers. These may be classified as Exempt Accommodation or other categories of Specified Accommodation for Housing Benefit purposes if they demonstrate that they meet the relevant criteria set out in Housing Benefit regulations. There is an acceptance that non-commissioned services can work well (Levelling Up, Housing and Communities Committee, 2022) especially when delivered in collaboration with local authorities (CRISIS, 2021). However, there have been growing concerns about the quality of support and value for money delivered by some providers of non-commissioned services in England. This is often in relation to short-term or transitional accommodation and charging higher rents available via the Exempt Accommodation rules whilst providing limited care, support or supervision (National Audit Office, 2023; Levelling Up, Housing and Communities Committee, 2022). These concerns often focus on there being limited oversight on the quality of support provided or the extent to which this is more than 'minimal' given there is no legal definition of what this constitutes in Housing Benefit regulations.
- 2.44 In response to concerns, the Government set out the National Statement of Expectations for Supported Housing and good practice guidance (Ministry of Housing, Communities and Local Government, 2020). The Ministry of Housing, Communities and Local Government also provided £5.4 million of funding for the Supported Housing Oversight Pilots (SHOP) which ran between 2020 and 2021. These pilots operated in five local authorities (Birmingham, Blackburn with Darwen, Blackpool, Bristol and Hull) to provide a focus on a cross-service, multi-disciplinary approach to improve the quality and value for money in this particular problematic element of the sector. Activities included: inspection of accommodation standards and enforcement; reviewing support provided to residents; enhanced scrutiny of Housing Benefit claims; and additional strategic planning around the supply and demand for supported housing in their area (Department for Levelling Up, Housing and Communities, 2022a). The evaluation found positive impacts emerged from SHOP and subsequently the Ministry of Housing, Communities and Local Government developed the Supported Housing Improvement Programme (SHIP). This initiative allocated £20 million of funding from 2022 to 2025 for 26 local authorities who successfully submitted bids to the scheme.
- 2.45 Concerns about lack of oversight or regulation for specific elements of provision which are operating within the Housing Benefit regulations for Exempt Accommodation, especially non-commissioned services, led to the introduction of a Private Members Bill by Bob Blackman MP in June 2022 to improve the oversight of supported Exempt Accommodation (House of Commons Library, 2023). It should be noted that the definition of supported Exempt Accommodation used within the Bill includes all four categories of Specified Accommodation under Housing Benefit regulations (i.e., not just Exempt Accommodation but also Managed Properties, Refuges, and Local Authority hostels). The subsequent Supported Housing (Regulatory Oversight) Act became law in August 2023. The legislation introduces national standards for the support provided in supported housing and local authority licensing schemes to enforce the standards. The legislation will also require local authorities to produce supported housing strategies to assess current and future need for supported housing in their area. The Government is planning to consult on the policy proposals for measures in the legislation in due course, which will inform implementation.

2.46 Increasingly, the limited availability of funding for commissioned services in some areas has also seen a shift towards some providers re-profiling or substituting some activities that they may have previously delivered or had funded as support services as intensive housing management tasks. These activities can include duties that are required of the landlord over and above or to a greater intensity or frequency than in general needs housing (Department for Work and Pensions, 2022: 189-191). For example, intensive housing management tasks can include: provision of a caretaker or warden to provide routine accommodation related services, maintenance or security; upkeep of communal areas; and support for tenants to enable tenancy sustainment and payment of rent. If intensive housing management tasks are provided to ensure the adequacy of the accommodation provided and are deemed to be eligible service charges which are not unreasonably high (Department for Work and Pensions, 2022:177-180), then they can be covered by Housing Benefit. However, these activities are deemed to be ineligible service charges for Housing Benefit purposes if they aim to provide a support package for the individual rather than the upkeep of the accommodation itself.

Regulatory frameworks

2.47 England, Scotland and Wales operate separate regulatory frameworks for supported housing. In England, the Regulator of Social Housing is responsible for economic and consumer standards for all Registered Providers of social housing (including supported housing). It is mandatory for Local Authorities to be registered with the Regulator of Social Housing but it is not mandatory for all other types of providers to be registered.

2.48 In April 2024, the Regulator of Social Housing's list of Registered Providers in England included 1,590 organisations of which 14 per cent are local authorities and the remaining are Private Registered Providers. Not all of these organisations will have supported housing stock.

2.49 Non-profit Registered Societies account for 47 per cent of all Registered Providers, 32 per cent are charitable organisations, and three per cent are non-profit companies. Four per cent of all Registered Providers are for-profit companies or limited liability partnerships.

2.50 All Registered Providers are required to return an annual Local Authority Data Return or Statistical Data Return but data requirements for small Private Registered Providers (less than 1,000 units) are less than for large Private Registered Providers. This includes data on low-cost rental accommodation which is defined as supported housing in the Regulator of Social Housing rent-setting policy statement. Providers are not required to register with the Care Quality Commission in England unless they also provide regulated personal care services. The Regulator of Social Housing definition of supported housing includes accommodation that:

- is made available only in conjunction with the supply of support;
- is made available exclusively to households including a person who has been identified as needing that support;
- and is also either accommodation that has been designed, structurally altered or refurbished in order to enable residents with support needs to live independently;
- or is accommodation that has been designated as being available only to individuals within an identified group with specific support needs.

- 2.51 In Scotland, the Scottish Housing Regulator is responsible for regulating social housing provided by local authorities and Registered Social Landlords. A public register of Registered Social Landlords including all 32 local authorities and 141 other Registered Social Landlords are available on via on the Scottish Housing Regulator website. All Registered Social Landlords are required to return annual statistics on stock owned in each local authority area including data for sheltered housing, very sheltered housing or housing with a community alarm service for older or disabled residents as well as other categories of stock with specific design features which may be suitable for people with specific access needs. Additional data is available on the supply of temporary accommodation for people experiencing or at risk of homelessness, including in refuges or local authority hostels. In addition, supported housing services in Scotland are regulated by the Care Inspectorate. This national regulatory body is responsible for the registration, scrutiny and quality improvement of such provision.
- 2.52 In Wales, the regulation of social housing is undertaken directly by the Welsh Government. The Housing Regulation Team, which is part of the Housing and Regeneration Directorate of the Welsh Government, carries out the activity of regulation on behalf of the Welsh Ministers. They maintain a public register of social landlords and currently this includes 35 Registered Social Landlords. Annual statistics on social housing stock and rents are collected by Stat-Wales for various categories of supported housing such as sheltered housing, extra care housing and other supported housing. This latter group includes non-self-contained stock such as hostel accommodation. The Care Inspectorate Wales regulates social care services in Wales but it does not regulate supported housing settings. However, if personal care services are provided within supported living settings then the Care Inspectorate Wales regulates this aspect of service provision.
- 2.53 The next chapter examines secondary and administrative data sources, and the primary survey data to explore the size and composition of the supported housing sector across Britain.

3 Size and composition of the supported housing sector

Introduction

- 3.1 As discussed in the previous two chapters, multiple definitions of supported housing exist and are often used interchangeably for different purposes by national governments, local authorities, the Housing Benefit system, regulatory bodies and providers. These definitions all fall within an umbrella concept of supported housing being accommodation that is provided alongside care, support or supervision to help people with specific needs to live as independently as possible in the community. Supported housing is also provided by a wide variety of landlords, delivery models and funding mechanisms.
- 3.2 It is widely acknowledged that each secondary and administrative data source available on the sector is at best partial (National Audit Office, 2023). Each national regulatory body collects annual data from registered providers, but this means that non-registered providers – often smaller charitable or voluntary sector providers – are not included in the data. Official national statistics also deploy different definitions and categorisations of landlords, stock, types of provision, and client groups depending on the purposes for which the data is collected. There is therefore no single comprehensive data source which captures standardised data on the scale, scope, diversity or costs of the sector across Great Britain.
- 3.3 Previously, the government commissioned the 2016 Supported Accommodation Review to fill this information gap on the size and characteristics of provision across the sector (Department for Work and Pensions and Department for Communities and Local Government, 2016). The current study builds on the methods deployed in the previous study to provide a more up to date evidence base which is situated in the current policy context. This includes estimating the scale and distribution of supported housing across Great Britain; exploring the composition of the sector in terms of different provider types, provision models and client types; and highlighting the characteristics of those living within the sector.

Differences in approach: 2016 and 2023

- 3.4 From the outset, it needs to be borne in mind that the methodological approaches deployed in this study are different to the ones used in the 2016 Review.⁸ Changes over time have occurred to secondary and administrative data specifications, the policy context, and a range of measurement challenges exist. This means that the data generated from both studies are not directly comparable and it is not feasible to estimate change over time between the two studies. Instead, each study provides a

⁸ The 2016 Supported Accommodation Review (Department for Work and Pensions and Department for Communities and Local Government, 2016) is frequently referred to as the 2016 Review throughout this report.

snapshot of best available evidence on the scale and composition of the sector at each point in time.

- 3.5 The key differences in methodological approaches taken in each study impact on the estimates of the size of the sector both overall and in relation to specific client groups. The 2016 Review relied on population weighted sample surveys to derive these estimates based on responses from 83 local authority commissioners. Instead, this study integrates more robust local authority level secondary and administrative data to underpin the stock estimates. This shift in methodological approaches reflects changes in policy context since 2016. Firstly, in relation to local authority funding constraints and the growth in non-commissioned provision. Many of the 79 commissioners taking part in the 2023 Commissioner Survey acknowledge their data on local provision is often firmly grounded in the services they directly commission. At times, respondents were not able to provide data on provision that may be commissioned in other parts of the local authority. Many commissioners were also unable to provide data on non-commissioned supported housing services in their area. This potentially leads to an under-recording of non-commissioned supported housing stock in the 2023 Commissioner Survey.
- 3.6 Secondly, although Universal Credit began a staggered roll out for new claims for certain limited groups of working age claimants from 2013, it was not available to all types of working age claimants until much later. Roll out for new claims from all working age claimants began from mid-2016 and was fully implemented everywhere by the end of 2018. This means that prior to 2016, the vast majority of working age claimants receiving support for housing costs were in the Housing Benefit system administered by local authorities. Working age claimants living in properties that meet the criteria for Specified Accommodation or Temporary Accommodation have a gateway to receiving Housing Benefit rather than the Universal Credit housing element. Claimants in pensionable age households remain within the Housing Benefit system.⁹ This means local authorities are less able to identify any claimants living in supported housing which falls outside the Specified Accommodation rules as well as those who are within non-commissioned services. Both these factors impact on the ability of commissioners to report the totality of supported housing units or claimants within their area.
- 3.7 Regulatory statistics, survey results and the case studies undertaken as part of this study indicate that commissioning practices and stock profiles vary notably by place. These are not systematically related to the local population distribution. Local authority level supported housing stock recorded in regulatory statistics by registered providers has been compared with that reported by the respondents who took part in the Commissioner Survey. This indicates around 40 per cent of the stock recorded by regulatory statistics for these areas was reported by commissioners. If a similar approach to the 2016 Review was used in this study, and estimates were based on population weighted survey estimates, then this would underestimate the scale of current provision.
- 3.8 This study also undertook an extensive Provider Survey of both registered and non-registered providers (189 respondents; Appendix A1.1) in addition to the Commissioner Survey. The stock reported in the Provider Survey has been cross-

⁹ These are households where all members of the household are of pensionable age. Since 2019, if the claimant is of pensionable age but their partner is not, mixed age couples are treated as working age and are therefore unable to make a new claim for Housing Benefit unless living in supported housing which is classified as Specified Accommodation.

referenced with the regulatory returns for the registered providers that took part in the survey. This indicates that the Provider Survey provides a good match with the stock recorded in the regulatory data.

- 3.9 The current approach, therefore, integrates more robust official regulatory statistics for 2022/2023 at a local authority level as the base for the stock estimates (Appendix A1.2). These are collected systematically on an annual basis by each of the relevant national regulatory bodies in England, Scotland and Wales.¹⁰ The data records various types of supported housing stock held by all registered providers in every local authority across the three nations.
- 3.10 The stock recorded by registered providers in regulated statistics is then grossed-up by what is known from the Provider Survey about the additional stock held by non-registered providers. The stock estimates are then apportioned by service type and client group using a combination of data from both the Provider Survey and Commissioner Survey. Details of the approach taken to create grossing factors and apportion stock by client group are provided in Appendix 1.2. Given the different approach taken to generate stock estimates in this study these are not directly comparable to those presented in the 2016 Review and change over time cannot be reliably estimated.

The size of the supported housing sector

- 3.11 Table 3.1 provides stock estimates on the scale of supported housing supply across Great Britain in 2023. These estimates include provision by registered and non-registered providers, commissioned and un-commissioned services, and are broader than provision captured within various categories of Specified Accommodation in the Housing Benefit system.

Table 3.1: Supported housing stock estimates, 2023

	Supported housing units 2023	Units per 10,000 people aged 16+	Per cent of units 2023	Per cent of 16+ population 2021
England	535,400	116	84	87
Scotland	57,500	126	9	9
Wales	41,100	161	6	5
Great Britain	634,000	119	100	100

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

- 3.12 It is estimated that there are 634,000 units of supported housing in Britain available at social rents or affordable rents. There will also be additional supported housing which is available at market rents or which is within the owner occupation market. Often, this latter type of housing is focused on older people's retirement housing options for households that are not reliant on support for their housing costs as they are not on a low income. In addition, there will be people who receive floating support services which are not designated to specific supported accommodation and instead may be

¹⁰ In England: Registered providers of social housing (RPs) including local authorities are registered with the Regulator of Social Housing.

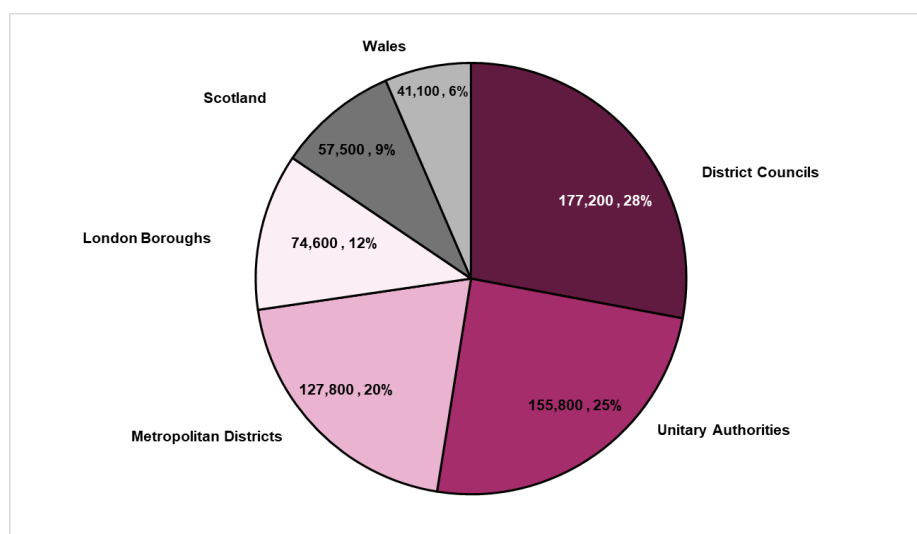
In Scotland: Social Landlords (SLs) are registered with the Scottish Housing Regulator.

In Wales: Registered Social Landlords (RSLs) and local authorities are regulated by the Welsh Government.

provided to individuals living in general needs housing. Floating support services are outside the scope of this study and have not been quantified here.

- 3.13 The distribution of stock across England, Scotland and Wales is similar to the population distribution of those aged 16 and over. However, whilst 87 per cent of the population aged over 16 in Great Britain resides in England, a slightly lower proportion of the stock (84 per cent) is located in England. This potentially indicates a slight imbalance in supply relative to population size in England. This is confirmed when a rate of provision per 10,000 population aged 16 and over is calculated per nation: 116 units per 10,000 16+ population in England; 126 per 10,000 in Scotland; and 161 per 10,000 in Wales.
- 3.14 Whilst the stock estimates produced for 2023 are not directly comparable to those produced as part of the 2016 Review, the distribution of stock estimates by nation in 2023 is very similar to those developed previously: in 2016 85 per cent of the stock was in England; nine per cent in Scotland; and six per cent in Wales.
- 3.15 Figure 3.1 shows the distribution of supported housing stock across different types of local authorities. There are 177,200 units within District Councils in England. As Districts sit within upper tier County Councils this means that they account for the largest share of stock (28 per cent).

Figure 3.1: Supported housing stock estimates by local authority type, 2023



Source: Sheffield Hallam University estimates

Note: There are four different local authority types in England: District Councils, Unitary Authorities, Metropolitan Districts, and London Boroughs.

- 3.16 Table 3.2 indicates that the distribution of stock across different types of local authority is similar to the population distribution of those aged 16 and over in these areas. However, again there are some imbalances in supply of supported housing units relative to the size of the local population aged over 16. In England, the provision rate varies from 105 units per 10,000 people aged 16+ for London Boroughs as a whole compared to 132 units per 10,000 in Metropolitan Districts. All types of local authorities in England have a lower rate of provision than in Wales. Only the Metropolitan Districts surpass the rate of provision in Scotland or Great Britain

Table 3.2: Supported housing stock estimates by local authority type, 2023

	Supported housing units 2023	Units per 10,000 people aged 16+	Per cent of units 2023	Per cent of 16+ population 2021
District Council	177,200	112	28	30
Unitary Authority	155,800	116	25	25
Metropolitan District	127,800	132	20	18
London Borough	74,600	105	12	13
Scotland	57,500	126	9	9
Wales	41,100	161	6	5
Great Britain	634,000	119	100	100

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding

Composition of supported housing supply

Stock estimates by service type

3.17 The Provider Survey asked respondents to provide details of how many units they manage within each of the three broad categories of service provision. These include short-term and transitional supported accommodation for people in crisis, longer-term provision for working age people with disabilities, and housing for older people with care and support needs. The Commissioner Survey also asked local authorities how much provision they were aware of in their area within each of these service types. The guidance below was provided in the surveys to define each of the service types.

- **Short-term/transitional supported accommodation:** intermediate provision for a range of cohorts with support needs with a view to move on towards more independent accommodation. Duration of stay would typically be two years or less (but this isn't a fixed time limit). This may include hostels and transitional housing for people in crisis.
- **Long-term supported housing for working age disabled people:** long-term provision for people with a physical disability or enduring mental ill health, and people with a learning disability and/or autistic people or other lifelong condition. This is often known as "supported living".
- **Housing for older people with care and/or support needs:** supported housing typically designed for and restricted to people aged over 55. This may have different names depending on the design, for example sheltered housing (although this often comes without care and support), flexible retirement housing, retirement villages, very sheltered and extra care.

3.18 Data from the Provider Survey and the Commissioner Survey are used in conjunction with the local authority level stock estimates to estimate the number of units in each service type (see more detailed methods section in Appendix A1.2). Table 3.3 indicates that just over two-thirds of all provision, approximately 423,100 supported housing units, are for older people with care and support needs in Great Britain. There is some variation across the three nations and the proportion is closer to three-quarters of all provision in Scotland and Wales compared to nearly two-thirds of provision in England. When provision is compared against the size of the population aged 65 and over this shows there is a higher rate of provision for older people in Wales (466 units per 10,000 people aged 65 and over) compared to Scotland (398 units per 10,000) and England (334 units per 10,000).

Table 3.3: Stock estimates by service type, 2023

	Older People units	Short-term transitional units	Long-term working age units	Total units	Older People %	Short-term transitional %	Long-term working age %	Total %
England	349,300	111,600	74,400	535,400	65	21	14	100
Scotland	42,800	8,800	5,900	57,500	74	15	10	100
Wales	31,000	6,100	4,000	41,100	75	15	10	100
Great Britain	423,100	126,500	84,300	634,000	67	20	13	100

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding

3.19 There are 126,500 units short-term/transitional supported accommodation in Great Britain which accounts for one in every five units of provision. In Scotland and Wales, the proportion is lower (15 per cent) which reflects the larger share of overall units which are provided for older people's housing. A further 84,300 units are available for long-term supported housing for working age people with disabilities.

3.20 Table 3.4 presents the distribution of housing by service type across each of the different types of local authority. In District Councils, 70 per cent of all supported housing stock is for older people's housing and this is higher than in other types of local authority in England. However, when considered alongside the local demographics of the population within these areas, this shows that District Councils have the lowest rate of provision for older people's housing amongst all types of local authorities: 299 units of per 10,000 population aged over 65. Conversely, whereas only 55 per cent of all supported housing stock in London is for older people, given the younger age profile of London this equates to 389 units per 10,000 population aged 65 and over which is higher than the average rate of provision in Great Britain.

Table 3.4: Stock estimates by service type, by local authority type, 2023

	Older People units	Short-term transitional units	Long-term working age units	Older People Units per 10,000 people aged 65+	Short-term transitional Units per 10,000 people aged 16-64	Long-term working age Units per 10,000 people aged 16-64
District Council	123,700	32,200	21,400	299	27	18
Unitary Authority	104,500	30,800	20,500	324	30	20
Metropolitan District	80,400	28,500	19,000	391	37	25
London Borough	40,900	20,200	13,500	389	33	22
Scotland	42,800	8,800	5,900	398	25	22
Wales	31,000	6,100	4,000	466	32	21
Great Britain	423,100	126,500	84,300	347	31	21

Source: Sheffield Hallam University estimates

Note: Rows may not add to total due to rounding

3.21 As might be expected, the rates of provision are far lower for short-term transitional provision (31 units per 10,000 working age population). Highest rates of provision for this service type are seen in Metropolitan Districts (37 units per 10,000 working age population) and in London Boroughs (33 units per 10,000 working age population). Whist Scotland has the lowest rate of provision at 25 units per 10,000 working age

population this may in part reflect their changing policy landscape with an increasing shift towards Housing First interventions. Long-term provision for working age people with disabilities is 21 units per 10,000 working age population in Great Britain as a whole. The provision rates are similar to the national average in most types of local authorities, with a slightly higher rate is seen in Metropolitan Districts (25 units per 10,000 working age population) and the lowest rate seen in District Councils (18 units per 10,000 working age population).

Stock estimates by client groups

- 3.22 Data from the Provider Survey and the Commissioner Survey are used in conjunction with the local authority level stock estimates to estimate the number of units primarily designated for each client group (see more detailed methods section in Appendix A1.1). It needs to be remembered that some provision will be available to multiple client groups with complex needs. The respondents were asked to allocate units only once to the most relevant primary client group. Respondents may, therefore, have recorded provision as being for homelessness or 'other' primary client groups but these units may be available for multiple client groups including young people leaving care, people with drug or alcohol problems or veterans. The overall distribution of stock across these categories was used in conjunction with the stock estimates (Table 3.1) to provide estimates of provision for each client group (Table 3.5).
- 3.23 Stock estimates for people with mental health problems have been allocated within the long-term working age provision for people with disabilities. Some of these units may act as more short-term or transitional services for people with mental health problems. Much of this latter group are likely to fall within provision for those with complex needs as this will often be counted within other primary client groups.
- 3.24 Table 3.5 provides stock estimates for each client group within each of the broad service types. Within the long-term supported housing for working age people with disabilities stock estimate, provision for people with a learning disability and autistic people accounts for 59,900 units. This is the largest single client group across Great Britain, accounting for nine per cent of overall provision. The percentage of overall provision in this group is slightly lower in Scotland and Wales (seven per cent) and slightly higher in England (10 per cent).
- 3.25 A further 21,800 units are provided for people with persistent mental health issues. This accounts for a similar proportion of all stock across the nations: four per cent of provision in England and three per cent in Scotland, Wales and Great Britain overall.
- 3.26 Supported housing for homeless single people is the largest category of short-term or transitional supported accommodation in Great Britain, with 58,200 units - nine per cent of all provision - and is of a comparable size to provision for people with a learning disability and autistic people. Again, the percentage of overall provision for single homelessness is slightly lower in Scotland and Wales (seven per cent) and slightly higher in England (10 per cent). There are a further 28,200 units (four per cent of all provision) for homeless families. Each of the other categories of short-term or transitional supported housing account for approximately one per cent (or less) of the overall supply. This pattern is replicated across the individual nations. The 'other' category is slightly larger with 19,300 units accounting for three per cent of all provision. This is likely to include provision which is used flexibly across groups in crisis including those with multiple or complex needs.

Table 3.5: Stock estimates by client group, 2023

	England Units	Scotland Units	Wales Units	Great Britain Units
Short-term/transitional supported accommodation				
People experiencing homelessness (single people)	51,400	4,100	2,800	58,200
People experiencing homelessness (families)	24,900	2,000	1,400	28,200
Young people leaving care	7,300	600	400	8,300
People at risk of domestic abuse	4,200	300	200	4,800
People with drug or alcohol problems	2,900	200	200	3,300
Prison leavers	1,900	100	100	2,100
Veterans	1,000	100	100	1,100
Refugees and asylum seekers	1,000	100	100	1,100
Other	17,000	1,300	900	19,300
Long-term supported housing for working age disabled people				
People with mental health problems	19,200	1,500	1,000	21,800
People with a learning disability and autistic people	52,800	4,200	2,900	59,900
People with a physical disability or sensory impairment	2,400	200	100	2,700
Housing for older people with care and/or support needs				
Older people (55+)	349,300	42,800	31,000	423,100
Total	535,400	57,500	41,100	634,000

Source: Sheffield Hallam University estimates

Note: Rows and columns may not add to total due to rounding.

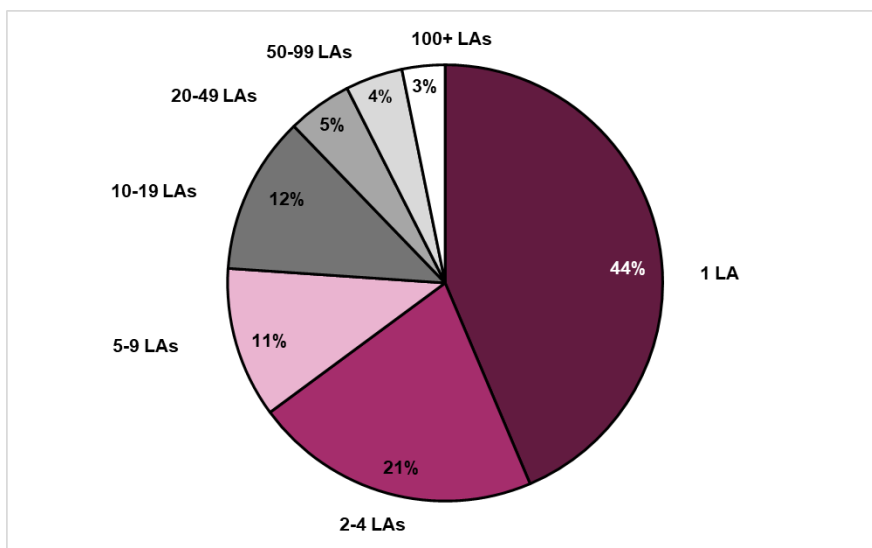
3.27 Providers were also asked to separately quantify how many of the overall supported housing units they manage are available for people with multiple and complex needs. They indicated that this accounts for 40 per cent of stock.

Characteristics of providers

3.28 As discussed in Chapter 1, providers are a diverse group of organisations ranging from very small charities working in one location with one client group to national Housing Associations with very large stock portfolios operating across client groups and locations. The 189 respondents taking part in the Provider Survey are also a very diverse group. For the purposes of the Provider Survey, they are defined as organisations which issue the resident's tenancy or licence to occupy and manage supported housing scheme(s). The organisations taking part reported on nearly 145,000 units of supported housing they managed. This is equivalent to just under a quarter of all the estimated supported housing stock across the whole of Great Britain. The providers owned 79 per cent of the stock they managed. Two-thirds of the organisations that took part in the survey indicated they are registered providers with the relevant national regulatory bodies in England, Scotland and Wales; one third were non-registered providers.

3.29 The distribution of respondents is similar to the distribution of population and stock nationally with 85 per cent of provider organisations being located in England, eight per cent in Scotland, and six per cent in Wales. Between them, the respondent organisations held stock across all three nations and within all regions of England. Figure 3.2 indicates that just over two fifths of providers (44 per cent) indicated they work in just one local authority; a further third said they work in 2-9 local authorities; and just under a quarter of providers work in 10 or more local authorities. A small number of providers work in over 100 local authority areas (three per cent).

Figure 3.2: Number of local authorities providers work within

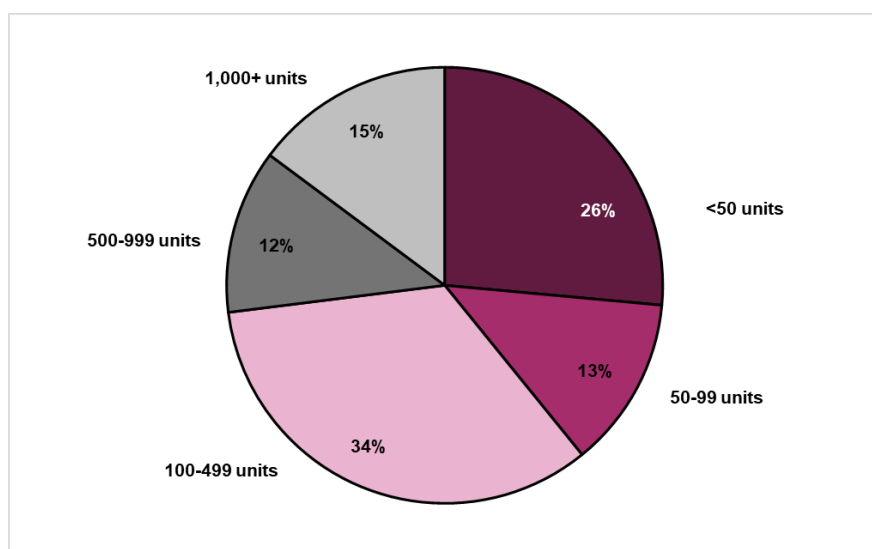


Source: Provider Survey, N=189

3.30 Providers also vary considerably by size of their supported housing portfolio. Whilst Figure 3.3 indicates that just over a quarter of providers manage fewer than 50 units of supported housing and nearly three-quarters manage fewer than 500 units of stock, 15 per cent of providers are large organisations which manage over 1,000 units of supported housing. The median number of supported housing units managed by providers taking part in the survey is 160 units.

3.31 Just over half (54 per cent) of the providers who took part in the survey described their organisation as a Housing Association, 44 per cent as a charity or voluntary organisation, and only one per cent said that they are a private company. This compares with the public register of private registered providers (i.e. not local authorities) held by the Regulator for Social Housing which indicates that in England 54 per cent are Registered Societies, 41 per cent are not-for profit charitable organisations and five per cent are for-profit private companies or limited liability partnerships.

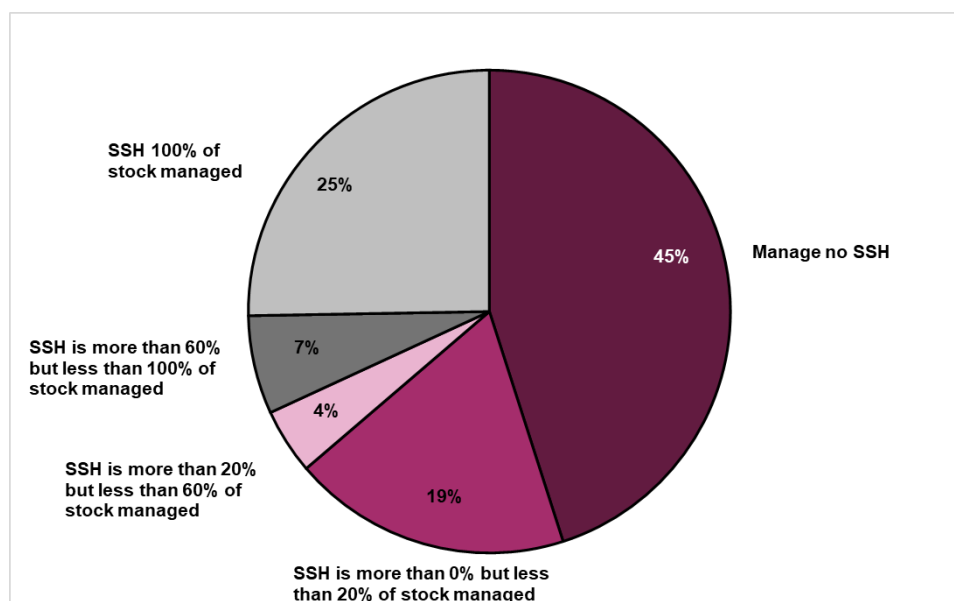
Figure 3.3: Supported housing units managed by providers



Source: Provider Survey, N=189

- 3.32 It is possible for Housing Associations to also be charities depending on their corporate form. Of the Housing Associations that took part in the Provider Survey, 72 per cent indicated that their organisation is also a charity. This means that the majority of all providers are charities of one form or another (84 per cent). All respondents who stated they are a charity or voluntary organisation (including those that are a Housing Associations which are also a charity) were asked to indicate what type of charitable organisation they are:
- 51 per cent are a Charitable Incorporated Organisation
 - 27 per cent are a Community Benefit Society
 - 5 per cent are a Community Interest Company
 - 3 per cent are a Co-operative
 - and 23 per cent answered 'other'.
- 3.33 Some organisations ticked more than one of the categories above to indicate they held more than one organisational status and so the categories are not mutually exclusive and do not sum to 100 per cent.
- 3.34 Social landlords provide low-cost accommodation which has rents set at levels below local market rents at either social rents or affordable rents. The Provider Survey profile indicates the vast majority of their stock is available at social rents (89 per cent) and a far smaller proportion available at affordable rents (five per cent). This is very similar to the profile of rent types recorded by registered providers in regulatory statistics.
- 3.35 The Provider Survey also indicates that 16 per cent of all providers manage some supported housing stock that is available at market rents and this accounts for six per cent of overall stock. Of those providers with some stock at market rents, 57 per cent are Housing Associations, 37 per cent are a charity or voluntary organisation and 7 per cent are a private company. Approaching two-thirds of providers with some properties at market rents are registered with the appropriate regulator and just over one-third are not registered providers.
- 3.36 Potentially some of these units being offered at market rents may be delivered as Specialised Supported Housing which are exempt from the Rent Standard and can be offered at higher rents (see Chapter 2). Often, Specialised Supported Housing operationalise a lease-based model of provision where the Provider acts as the landlord but needs to cover the lease fee levied by the owner of the building and so includes this in a higher rent charged to tenants.
- 3.37 The Provider Survey indicates that Specialised Supported Housing accounts for 19 per cent of all units managed. Potentially, if the pattern seen amongst respondents in the Provider Survey is replicated across stock held by private registered providers in England, then this would equate to approximately 75,000 units of Specialised Supported Housing stock. Figure 3.4 indicates that 45 per cent of providers do not manage any Specialised Supported Housing stock. For a quarter of providers this form of provision accounts for 100 per cent of the units they manage. This latter group tends to be smaller in size, and only 15 per cent of the providers with 100 per cent of their units as Specialised Supported Housing have more than 500 units of provision. This group of providers equates to four per cent of all respondents in the Provider Survey.

Figure 3.4: Percentage of providers managing Specialised Supported Housing



Source: Provider Survey, N=189

3.38 The diversity of provider organisational types and operation models is also reflected across the organisations which took part in the case studies and in-depth interviews. These included large national regulated providers working across client groups and in many local authorities, to smaller Housing Associations or charities working with particular client groups or in particular locations. The following extracts from interviews with various providers gives a flavour of the wide range of operating models in the sector.

“[we] are a large provider of social housing [including] homelessness, older people, care, extra care and veterans and within the homelessness sphere we have a number of different types of services [including many] units of managed agents properties where we own the building and someone else delivers either care or support out of them.” **[National provider case study]**

“We provide specialised supported housing across the [region]...predominantly people with learning disabilities and autism, although we do have some tenants who have mental health support needs. And relatively small, [under 500 units]. Mixture of owned and leased properties.” **[Learning disability and autism case study]**

“We’re a small charity... it was born out of the street pastors who saw the need for a night shelter in the town... but we then started talking to other charities with night shelter models...out of that came a partnership with [a national charity], they bought a house for us, partnered with them and that is now let out to four guys who were previously homeless, so that’s our supported accommodation project.” **[Homelessness case study]**

Specified Accommodation

Single Housing Benefit Extract

3.39 Claimants who require financial support towards their housing costs and indicate they live within supported housing first have their claim assessed to see if it meets the criteria to be classified as Specified Accommodation under Housing Benefit rules (Chapter 2). Meeting these criteria is dependent on the type of landlord, the tenant

being assessed as needing care support or supervision, that this is being provided, and if so by whom.

- 3.40 Specified Accommodation is based on a four-fold classification which includes Exempt Accommodation, Managed Properties, Refuges, and Local Authority Hostels. These categories also determine the Housing Benefit regulations for assessing the level of eligible rents and service charges for each property. It needs to be remembered that Housing Benefit only meets the eligible accommodation costs of Specified Accommodation and not the additional support costs for providing care, support or supervision.
- 3.41 Working age claimants who live in supported housing which falls into one of these four categories of Specified Accommodation receive support towards their housing costs under the Housing Benefit system rather than the housing element within the Universal Credit system. All claimants in pensionable age households are assessed within the Housing Benefit system. Local authorities administer the Housing Benefit system and submit a monthly return of all Housing Benefit claims to the Department for Work and Pensions. The department then compiles these records into a single database called the Single Housing Benefit Extract (SHBE).
- 3.42 SHBE data on all Housing Benefit claims is available via the DWP Stat-Xplore tool, however, this does not allow data to be explored for just the claims which meet the Specified Accommodation criteria. The unavailability of this data for more general use reflects the unreliability of the data as a consistent time series. This lack of consistency could lead to the misinterpretation of the data series over time with any observed changes as being entirely due to an increase in the expansion of Exempt Accommodation market, whereas in reality there are numerous important other factors which influence the recorded data over time.
- 3.43 The first notable factor impacting on the consistency of Specified Accommodation data from Housing Benefit records is the nature of the staggered roll out of Universal Credit across client groups and locations. Over time, this has led to a rapid increase in the number of working age claimants who enter the Universal Credit system. This in turn increases the volume of benefit decisions for those living in supported housing to assess if a property is classified as Specified Accommodation for Housing Benefit purposes. Increasingly landlords have therefore sought to have their supported housing assessed as Exempt Accommodation or the wider categories of Specified Accommodation. This may be for rent setting purposes but it also benefits their tenants as it means their Housing Benefit payment is excluded from the Benefit Cap.
- 3.44 The second important influence on SHBE data, with respect to the volume of Housing Benefit claims recorded as Specified Accommodation, are changes in data recording requirements and specifications over time. Specified Accommodation categories, which incorporated Exempt Accommodation as well as three new categories, were introduced in 2014. It was not compulsory for local authorities to identify these Housing Benefit claims separately on their data systems. This led to inconsistent coverage and recording of Specified Accommodation claims on the SHBE database through time.
- 3.45 It has only been since April 2022 that local authorities have been mandated by DWP to include a variable which identifies if a claim is Exempt Accommodation or one of the other three categories of Specified Accommodation. The Department for Work and Pensions recognises that this measure, which was introduced to improve data capture, will take time to improve data quality as it originally only applied to new claims (Public Accounts Committee, 2023).

- 3.46 In March 2023, an additional £4.79 million of funding was allocated by the Department for Work and Pensions to local authorities to identify and record all Specified Accommodation Housing Benefit claims by April 2024. The exercise will also identify whether these claims fall within Exempt Accommodation rules or within the combined other three categories of Specified Accommodation. In the longer term, this exercise will improve the consistency and coverage of data available on Specified Accommodation claims within SHBE.
- 3.47 The SHBE dataset is the best available data on the number of supported housing units that fall within the Specified Accommodation rules. The data is robust as it systematically collects data for Housing Benefit claimants in all local authorities rather than relying on a sample survey. The November 2023 Single Housing Benefit Extract is analysed here as the most up to date data at the time of writing this report.
- 3.48 However, it needs to be remembered that the data improvement exercise will not be completed until April 2024. The remaining five months of the process may identify additional Specified Accommodation claims currently under recorded in the data, but the impact is estimated to be relatively small, at approximately five to ten per cent of all current Specified Accommodation claims, but there remains some uncertainty. Given the ongoing exercise to enhance the quality of SHBE, the November 2023 data presented here will not be directly comparable to any subsequent data releases published by the Department for Work and Pensions. Instead, the data provides an overview of the best available data from Housing Benefit records at this particular point in time.
- 3.49 Table 3.6 provides a snapshot of the 215,770 Specified Accommodation claims in Great Britain recorded on SHBE data for November 2023. These account for nine per cent of all Housing Benefit claims in Great Britain. The distribution of Specified Accommodation claims indicates 92 per cent are in England, four per cent are in Scotland, and four per cent are in Wales. A slightly higher proportion of all Specified Accommodation claims are in England relative to the distribution of all supported housing stock presented in Table 3.1 earlier (84 per cent in England).

Table 3.6: Specified Accommodation by age group, Single Housing Benefit Extract, November 2023

	Working age Specified Accom. Claims	Pension age Specified Accom. Claims	All Specified Accom. Claims	Working age Specified Accom. %	Pension age Specified Accom. %	All Specified Accom. %
East	12,320	3,560	15,880	78%	22%	100%
East Midlands	11,430	2,240	13,670	84%	16%	100%
London	20,070	4,710	24,780	81%	19%	100%
North East	7,830	2,660	10,500	75%	25%	100%
North West	24,840	9,350	34,190	73%	27%	100%
South East	16,160	5,990	22,150	73%	27%	100%
South West	12,360	3,540	15,900	78%	22%	100%
West Midlands	34,540	6,520	41,060	84%	16%	100%
Yorks. & Humber	16,190	3,420	19,600	83%	17%	100%
England	155,740	41,990	197,720	79%	21%	100%
Scotland	6,460	2,410	8,870	73%	27%	100%
Wales	6,850	2,330	9,180	75%	25%	100%
Great Britain	169,040	46,730	215,770	78%	22%	100%

Source: DWP Single Housing Benefit Extract

Note: Rows and columns may not add to total due to rounding.

- 3.50 Table 3.6 indicates 169,040 Specified Accommodation claims are for working age households. This equates to 78 per cent of all Specified Accommodation claims and 14 per cent of all working age Housing Benefit claims. There are 46,730 Specified Accommodation claims amongst pensionable age households. This equates to 22 per cent of all Specified Accommodation claims and 4 per cent of all pensionable age Housing Benefit claims. There is some variation in the balance of Specified Accommodation claims across working age and pensionable age groups between nations and regions. This ranges from 73 per cent of claims being working age in the North West, South East, and Scotland, compared to 84 per cent in the East Midlands and West Midlands.
- 3.51 Specified Accommodation accounts for 34 per cent of all supported housing in Great Britain. Given over three quarters of Specified Accommodation is for claimants in working age households, the patterns are very different when considered by age group. These indicate 80 per cent of all working age stock falls within Specified Accommodation rules; and only 11 per cent of all older people's supported housing are Specified Accommodation claims.
- 3.52 The differences in the proportion of stock overall, and by age group, that fall within Specified Accommodation rules can be explained by two thirds of all supported housing being for older people's housing, the majority of which is sheltered housing. Many claimants within sheltered housing will not meet the eligibility criteria for Specified Accommodation under Housing Benefit rules which are based on the individual needs of claimants, the type of landlord, and whether more than minimal care, support or supervision is being provided. Therefore, for Housing Benefit purposes, many claimants within sheltered housing will be assessed within the rules for general needs accommodation. Predominantly, extra care provision, which accounts for around 10 to 15 per cent of all pensionable age provision, falls within Specified Accommodation rules. It is worth noting that around a quarter of supported housing tenants will not receive any contribution towards their housing costs from the benefits system. Chapter 7 provides a fuller discussion of these issues and the costs of supported housing to the benefits system. Chapter 2 provides fuller details of Housing Benefit Regulations.
- 3.53 Table 3.7 indicates that 83 per cent of Specified Accommodation Housing Benefit claims are for Exempt Accommodation. This is very similar to the data reported in the Provider Survey (82 per cent) and the Housing Benefit Team Survey (84 per cent). The Housing Benefit Team Survey also provides a breakdown of the remaining categories of Specified Accommodation. If the data from the Housing Benefit Team Survey are combined with the SHBE data then: 83 per cent of Specified Accommodation Housing Benefit claims are Exempt Accommodation; 13 per cent are Managed Properties, one per cent are Refuges and three per cent are Local Authority Hostels.
- 3.54 Table 3.7 indicates there are some notable differences across countries in the proportion of Specified Accommodation that is categorised as Exempt Accommodation. Whereas 84 per cent of Specified Accommodation claims in England and 82 per cent in Scotland are Exempt Accommodation, in Wales the figure is much lower at 64 per cent. This may in part reflect the influence that the different national housing policy framework and funding mechanisms for supported housing in Wales have on the operation of the Housing Benefit system within Welsh local authorities. These may influence the degree to which providers seek to have their properties classified as Exempt Accommodation in Wales.

Table 3.7: Specified Accommodation by category, Single Housing Benefit Extract, November 2023

	Exempt Accom. Claims	Other Specified Accom.	All Specified Accom. Claims	Exempt Accom. %	Other Specified Accom. %	All Specified Accom. %
East	13,660	2,220	15,880	86%	14%	100%
East Midlands	12,330	1,340	13,670	90%	10%	100%
London	19,550	5,230	24,780	79%	21%	100%
North East	9,620	870	10,500	92%	8%	100%
North West	25,780	8,410	34,190	75%	25%	100%
South East	17,140	5,010	22,150	77%	23%	100%
South West	13,020	2,880	15,900	82%	18%	100%
West Midlands	38,140	2,920	41,060	93%	7%	100%
Yorks. & Humber	16,860	2,740	19,600	86%	14%	100%
England	166,110	31,620	197,720	84%	16%	100%
Scotland	7,250	1,620	8,870	82%	18%	100%
Wales	5,890	3,290	9,180	64%	36%	100%
Great Britain	179,250	36,530	215,770	83%	17%	100%

Source: DWP Single Housing Benefit Extract

Note: Rows and columns may not add to total due to rounding.

3.55 There are also some notable differences in the balance of claims which are recorded as Exempt Accommodation in some of the English regions: West Midlands (93 per cent) North East (92 per cent), East Midlands (90 per cent) compared to North West (75 per cent), and South East (77 per cent) and London (79 per cent).

Insights from the surveys

3.56 The various surveys undertaken as part of this study provide insights as to the scale of Specified Accommodation by client groups from the perspective of various stakeholder communities. The Provider Survey asked respondents to indicate how much of the stock they manage is categorised as Specified Accommodation. Not all providers were able to provide information, but data is available for two-thirds of the overall stock reported in the survey. The Provider Survey does not include any local authorities, but for those Housing Associations, charities and voluntary organisations that could provide this information, 80 per cent of the stock they manage is categorised as Specified Accommodation.

3.57 The Provider Survey also asked respondents to indicate the number of units within each client group that are categorised as Specified Accommodation for Housing Benefit purposes or as non-Specified Accommodation. The respondents were asked to allocate units only once to most relevant primary client group. Again, not all respondents could provide this information split by client group and the data reported only relates to approximately half of the overall stock managed by these organisations. For the stock that respondents were able to report the data for, they recorded 97 per cent of provision for people with a learning disability and autistic people, and 88 per cent of provision for people with mental health problems, as being Specified Accommodation. Of the provision for single homelessness, 91 per cent was reported as being Specified Accommodation. Of the combined remaining categories of short-term or transitional accommodation, 77 per cent was reported as being Specified Accommodation.

- 3.58 In the Housing Benefit Team Survey, three-quarters of local authorities reported that they have a list of supported housing that is classified as Specified Accommodation in their area. Only 55 per cent of respondents taking part in the Commissioner Survey were aware of there being a record or register of Specified Accommodation in their area. This lower percentage may be explained by commissioners' knowledge being firmly grounded in the supported housing that they directly commission. In some areas, commissioners had less data available on non-commissioned services. Housing Benefit teams, however, assess all Housing Benefit claims for supported housing for Specified Accommodation requirements regardless of whether the accommodation is directly commissioned by the local authority or not.

Commissioned and non-commissioned supported housing

- 3.59 As discussed in Chapter 2, some supported housing is directly commissioned and funded by local authorities or other statutory bodies to provide housing support services to tenants. Other supported housing is non-commissioned and receives no direct funding from the council. Non-commissioned supported housing may be funded by alternative methods such as charitable income, by the resident or in some cases by a provider's own funding via cross-subsidy from other income streams. Commissioning practices also vary across nations and local authorities (see Chapter 6 and Chapter 9). The Commissioner Survey indicates that 69 per cent of supported housing that respondents are aware of in their areas are commissioned services. That said, this is likely to be an overestimate of the true figure as commissioner's data on provision in their area is based on their knowledge of commissioned services. The survey indicates 20 per cent of commissioners were unable to provide data for non-commissioned services in their area as they did not hold this information.
- 3.60 The Provider Survey also asked respondents about how much of the supported housing that they manage is funded to provide directly commissioned services. Not all providers were able to provide this information, but data is available for 60 per cent of the overall stock reported in the survey.
- 3.61 Table 3.8 shows the breakdown of commissioned and non-commissioned supported housing units by client group, for the units for which providers hold the information. As with Specified Accommodation and non-Specified Accommodation, respondents were asked to allocate units only once to the most relevant primary client group. It should also be remembered that whilst non-registered providers made up nearly a third of all the sample, and may potentially have more non-commissioned services, they hold a relatively small proportion of the overall stock.
- 3.62 Table 3.8 indicates that supported housing for older people makes up 70 per cent of all non-commissioned units recorded by providers. This contrasts with just 11 per cent of commissioned units being for older people's housing. A further 13 per cent of all non-commissioned services are for single person households experiencing homelessness whilst this client group makes up the biggest single element - nearly a third - of all commissioned services. Just over a quarter of all commissioned units are for people with a learning disability and autistic people, and just over one in ten of all commissioned units are for people with mental health problems.

Table 3.8: Commissioned and non-commissioned supported housing by client group, Provider Survey

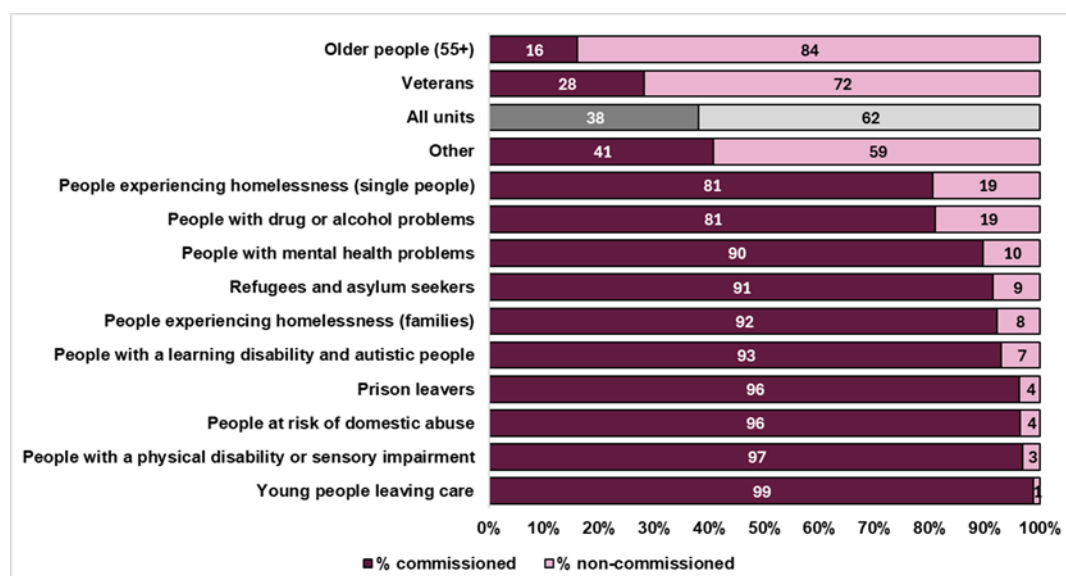
	Per cent of Commissioned units	Per cent of non-commissioned units
People experiencing homelessness (individuals)	31	13
People with a learning disability and autistic people	26	3
People with mental health problems	12	2
Older people (55+)	11	70
People with a physical disability or sensory impairment	6	<1
Young people leaving care	4	<1
People at risk of domestic abuse	2	<1
People experiencing homelessness (families)	2	<1
People with drug or alcohol problems	1	<1
Prison leavers	1	<1
Refugees and asylum seekers	<1	<1
Veterans	<1	1
Other	4	9
Total	100	100

Source: Provider Survey (N=152)

Note: Columns may not add to total due to rounding.

3.63 An alternative way to examine the data recorded by providers is to consider what proportion of provision within each client group is directly commissioned (Figure 3.5). This data has been combined with the stock estimates to reflect the overall stock composition. This indicates that 38 per cent of all stock is directly commissioned to provide housing support services. This is substantially lower than recorded in the Commissioner Survey, adding weight to the evidence that commissioners under-record non-commissioned provision in their areas.

Figure 3.5: Percentage of supported housing units that are delivering directly commissioned services, by client group, Provider Survey



Source: Provider Survey (N=152) combined with stock estimates

- 3.64 Whilst the Provider Survey indicates that 38 per cent of all supported housing units are commissioned, this varies significantly by client group. Just 16 per cent of supported housing for older people is directly commissioned and 28 per cent of units for veterans. For all the other specific client groups listed, over 80 per cent of provision is directly commissioned. It again needs to be remembered that this reflects the total stock reported by respondents to this survey and registered providers will hold the majority of stock.
- 3.65 The Commissioner Survey also asked respondents to quantify the commissioned and non-commissioned units across primary client groups. Similar patterns were recorded to those presented here for the Provider Survey for non-commissioned services (Table 3.8). Commissioners recorded 78 per cent of non-commissioned services in their areas as being for older people's housing and 13 per cent for single homeless people.
- 3.66 These differences across survey findings reflect the very complex picture on the ground of supported housing depending on which stakeholder's data is examined. Different types of services for different client groups are delivered by various types of providers using varied local commissioning practices. The extent of data knowledge varies by stakeholder group and reflects their local knowledge of the part of the sector in which they are involved. No one data source tells the entire picture. Instead, insights into different aspects of the service provision can be garnered from considering multiple perspectives on the same issues.

Supported housing tenants

- 3.67 The analysis so far has provided insights on the scale and composition of the supported housing stock, the provision of commissioned services, and the nature of Housing Benefit claims for tenants living within the sub-section of supported housing recorded as being Specified Accommodation. The data has also offered insights as to the types of providers delivering supported housing and the distribution of client groups living within the supported housing sector.
- 3.68 The data has provided limited insights so far as to the characteristics of the tenants themselves who live within the sector. Housing Benefit claimant data for people living in properties classified as Specified Accommodation indicates that 79 per cent of these claimants are of working age and 21 per cent are of pensionable age. This distribution of claimants across age groups is identical to that by local authorities in the Housing Benefit Team Survey. The local authority Housing Benefit teams also reported that 58 per cent of Housing Benefit claimants within supported housing are male and 42 per cent female.

Continuous recording of lettings and sales in social housing in England (CORE)

- 3.69 A further administrative data set is now explored to provide more insights on the characteristics of tenants and their households that live in the supported housing sector in England. The CORE dataset (Continuous recording of lettings and sales in social housing in England) collects data from tenants in all new lettings for social housing. The data collects tenant characteristics and details of the homes they rent from both private registered providers (e.g. Housing Associations) and local authorities.
- 3.70 The dataset examined includes details of 72,765 new supported housing lettings in 2021/22. Of these, 87 per cent of new tenancies were with registered private providers and 13 per cent were with local authorities. This represents a turnover rate of approximately 14 per cent of the estimated supported housing units in England as

detailed in Table 3.1. However, it should be noted that our stock estimates include provision by non-registered providers and a unit could potentially be let multiple times in the year if providing short-term or transitional housing support.

3.71 Table A3.1 in Appendix A3 provides a detailed breakdown of the characteristics of all new social tenants in supported housing as recorded by CORE data. This includes data for England as a whole and for types of local authority. The national data reported in Table A3.1 is drawn from 2021/22 summary published tables where data has been weighted to account for local authority non-response. Conversely, the data by local authority type has been drawn from the CORE sub-national data dashboard where data has not been weighted. Data by local authority type is therefore slightly different than the national data from the 2021/22 although the proportions are similar.

3.72 The CORE data on new supported housing tenancies for England indicates that:

- 55 per cent of lead tenants are male and 45 per cent are female;
- 27 per cent of lead tenants are pensionable age (65+) and 73 per cent are working age (16-64) – this is almost the reverse position of the stock profile where 67 per cent of stock is for older people’s housing;
- 83 per cent of lead tenants are White; seven per cent are Black or Black British; four per cent are Asian or Asian British; four per cent are Chinese or ‘other’ ethnic group; and three per cent have a mixed ethnicity;
- 75 per cent of households consist of single adults (29 per cent single elders, 29 per cent single males and 17 per cent single females);
- just eight per cent of lead tenants are in work; 31 per cent are retired; 20 per cent are unable to work due to sickness; 19 per cent are not seeking work; and 17 per cent are job seekers;
- 58 per cent of tenants receive housing related benefits (50 per cent Housing Benefit, eight per cent the housing element Universal Credit); 15 per cent do not receive housing related benefits, and 27 per cent did not know if they did;
- two per cent of households have a member who has at some point served in the UK Armed Forces as a regular or reserve;
- 17 per cent of tenants were statutorily homeless prior to their new letting.

3.73 Tables A3.2 and A3.3 in Appendix A3 provide additional data on the characteristics of new supported housing tenants by local authority type drawn from the CORE sub-national data dashboard. Tenants in London are generally different than tenants in other types of local authority and compared to those within District Council areas. For example, new tenants in supported housing in London Boroughs are less likely to be female, of pension-age, retired, unable to work due to sickness, white, statutorily homeless (although note non-statutorily homeless includes ‘other’ responses), single elders, or ever having served in the UK Armed Forces compared to tenants overall. The highest proportion of tenants with these characteristics, excluding unable to work due to sickness and statutorily homeless, are in District Council areas.

3.74 Table A3.2 indicates that the primary client group for new tenants in supported housing in London is more likely to be homeless people and rough sleepers with support needs (34 per cent) compared to other types of area (21 per cent in District Councils, 27 per cent in Metropolitan Districts and Unitary Authorities). New tenants in London are also much more likely to be requiring supported housing as young parents/young people at risk (16 per cent of new tenants) compared to other types of area (5 per cent in District Councils, 7 per cent in Metropolitan Districts and 8 per cent in Unitary Authorities). In

contrast, the proportion of new tenants in London in a primary client group of older people with support needs (29 per cent of new tenants) is noticeably lower than across other local authority types (58 per cent in District Councils, 50 per cent in Metropolitan Districts and 49 per cent in Unitary Authorities).

- 3.75 The proportion of households with physical or mental health conditions or illnesses lasting or expected to last for 12 months or more is also lower for new tenants in London Boroughs (44 per cent) than other areas (ranging from 53-61 per cent). Whereas the proportion requiring disability-related adaptations in London (14 per cent) is much lower than elsewhere (36 per cent in District Councils, 29 per cent in Metropolitan Districts and 30 per cent in Unitary Authorities).
- 3.76 Table A3.3 in Appendix A3 indicates that the average (median) weekly income of new tenants in supported housing was lowest for tenants in Metropolitan District areas at £202 per week and highest in District Councils areas at £223 per week.
- 3.77 The CORE data also provides information on the characteristics of properties rented to new tenants (Table A3.4 in Appendix A3). Again, the characteristics of properties for new lettings in supported housing in London look different to other types of local authority areas. Table A3.4 indicates:
- the most common property types across all areas are self-contained flats or bedsits (some with common facilities);
 - the proportion of properties which are shared houses or hostels is noticeably higher in London Boroughs (39 per cent) compared to other areas (18 per cent in District Councils, 22 per cent in Metropolitan Districts and 27 per cent in Unitary Authorities);
 - in all types of area, the majority of new supported housing lettings (between 94 and 98 per cent) are in properties that were already in the social rented sector rather than a new property.
- 3.78 Appendix A3 provides further details from CORE data on the characteristics of new lettings in supported housing in England.

4 The supply and demand for supported housing

Introduction

- 4.1 This chapter explores various aspects of the supply and demand for supported housing, and the challenges of developing new supported housing. As shown in Chapter 3, supported housing is a diverse sector involving a wide range of providers delivering varied service models for a wide range of client groups. The level of revenue and capital funding available makes some schemes more viable than others, which in turn impacts on the willingness of providers to sustain current provision levels, take the financial risks involved with developing new schemes or to remain in the market. These factors include the level of Housing Benefit available which varies depending on whether the supported housing provided falls within Specified Accommodation rules. Revenue funding for support services will also vary depending on whether the accommodation is a directly commissioned service funded by the local authority, another statutory body or if the support costs need to be covered by the provider through charitable funding or cross-subsidies from their wider activities.
- 4.2 Data collected via the Commissioner Survey and Housing Benefit Team Survey are drawn upon alongside insights from a range of stakeholders from the in-depth interviews. This sheds light on issues around the stability of supported housing supply and the extent to which this is related to the funding of commissioned services. The discussion considers the wider challenges faced by local authorities and providers in maintaining supply relative to demand given local delivery models, partnership working, oversight, and workforce challenges.
- 4.3 The data is examined for evidence of unmet demand, whether stock is being reprofiled in response to available funding streams, and the impact on supply relative to demand for supported housing amongst client groups. Factors influencing the effective forecasting or planning of local supply and demand for provision are highlighted. The challenges and opportunities associated with expanding the supported housing infrastructure to meet evolving needs are also explored. The final section of this chapter provides estimates of the potential scale of future provision that may be needed in response to changing demand over time.

Supply of commissioned services

- 4.4 Table 4.1 indicates that that the majority of local authorities taking part in the Commissioner Survey (62 per cent) reported that the number of commissioned supported housing units had increased in their area over the past five years. Only a very small percentage of commissioners reported that the number of units commissioned in their area had decreased and just over one in ten said provision had remained static over the period. However, almost a quarter of commissioners were unable to say whether the scale of provision had changed over the previous five years.

4.5 Respondents were also asked about changes in provision for specific client groups over the past five years. More than twice the proportion of commissioners reported an increase in commissioned services for people with a learning disabilities and autistic people (58 per cent) and for people with mental health problems (55 per cent) than for various categories of short-term or transitional provision including units for prison leavers (21 per cent) or families experiencing homelessness (25 per cent). The percentage of local authority commissioners reporting that provision had decreased over the past five years was relatively small for all client groups.

Table 4.1: Percentage of commissioners reporting that the number of commissioned supported housing units in their area changed over the past five years, by client group

	% reporting an increase in commissioned units	% reporting commissioned units stayed the same	% reporting a decrease in commissioned units	% reporting don't know
Older people (55+)	39	32	5	24
People experiencing homelessness (individuals)	47	21	7	25
People experiencing homelessness (families)	25	26	6	43
Young people leaving care	42	22	3	33
People at risk of domestic abuse	43	28	1	28
People with drug or alcohol problems	33	26	2	39
Prison leavers	21	26	3	49
Veterans	0	27	2	71
Refugees and asylum seekers	29	18	2	52
Other	9	23	5	64
People with mental health problems	55	21	6	18
People with a learning disability/autistic people	58	17	3	22
People with a physical disability/sensory impairment	32	28	3	37
All supported housing	62	11	3	24

Source: Commissioner Survey, (N=69)

4.6 The Provider Survey asked respondents if any of the provision they managed had been decommissioned or had its funding reduced over the past five years. Over half of respondents (54 per cent) stated that they had not had any of their units decommissioned or funding reduced. This indicates for a small majority of providers the supply of existing provision had a continuity of funding over the period. However, 43 per cent of providers said that they had had some of their units decommissioned or funding reduced over the previous five years.

4.7 Providers who had either experienced a reduction in funding from commissioned services or had some of the provision they managed decommissioned over the previous five years were asked what actions they had taken in response (Table 4.2). Providers were able to indicate as many responses as applied, given it is possible that they may have taken different actions in relation to different schemes or the scale of the reduction in funding. Two thirds of providers had reduced or remodelled support services provided in schemes which had either been decommissioned or had funding reduced. Just over half of the providers said that they introduced efficiencies to provide the same level of service to tenants and the same proportion said that they had used rent and service charges to continue to provide the same services. Just over a third had cross-subsided the shortfall in funding with charitable income and nearly a quarter had cross-subsided the shortfall from other sources such as rental income from other stock held. However, almost half of providers (48 per cent) said that they had reduced

the number of units they managed because of a reduction in funding available from commissioning.

Table 4.2: Providers’ response to reductions in funding or decommissioning of their supported housing services over the past five years

	Percentage of providers
Reduced or remodelled support services provided for tenants/units where the support service was decommissioned or support funding reduced	66
Used rent/service charges to provide the same services for tenants/units where the support service was decommissioned or funding reduced	51
Introduced efficiencies to reduce costs to provide same services for tenants/units when the support service was decommissioned or funding reduced	51
Reduced the number of supported housing units we manage (including units we previously managed which are now supplied/managed by another provider)	48
Cross-subsidised the lost funding/shortfall from other sources such as from charitable donations/charitable income	36
Cross-subsidised the lost funding/shortfall from other sources such as rental income from our other stock	24
Other	18

Source: Provider Survey; Respondents who had a reduction in funding/decommissioning of supported housing units they managed over the past five years, (N=67); Providers could tick more than one category.

4.8 During the in-depth interviews, respondents from a range of local authorities consistently commented on the challenges they faced with respect to funding constraints for commissioned services. Many noted instances where this had led to a reduction or withdrawal of funding for particular schemes or the decommissioning of certain services. One commissioner clearly stated the importance of providing funding for support alongside accommodation but at the same time they had needed to halt over 200 hours of a previously funded support element of a homelessness project due to funding constraints.

“They [the local authority] are taking back the funding for the support. But these things have to run together, you need supported housing, not just housing; Housing Benefit can’t cover all that.” **[Homelessness case study]**

4.9 Some commissioners noted that decisions to reduce funding for certain services were often due to a combination of factors which included funding availability alongside consideration of other operational issues. For example, commissioners in one London Borough explained they had decommissioned a substance misuse recovery service partly due to the need for cost savings but also in conjunction with the project receiving insufficient referrals to make the service viable.

4.10 It was reported that shifting commissioning priorities, including a move towards Housing First models, also resulted in some supported housing projects for people experiencing homelessness being decommissioned. One Housing Association detailed their experience of this specific issue after spending £2 million refurbishing a homelessness scheme for it subsequently to be decommissioned due to changing policy priorities. This instance had caused the provider to reconsider investment in this part of the sector which accounted for the largest part of their supported housing portfolio.

- 4.11 Other commissioners stated that certain types of services were being decommissioned in favour of different forms of procurement or delivery models for alternative service provision. For example, one County Council stated they had recently decommissioned their mainly shared accommodation mental health services in favour of recommissioning some of these services into a mental wellbeing alliance contract. This council is also undertaking a wider review of services to make recommendations about future commissioning practices. They are primarily concerned with looking at how to make savings, ideally without it impacting services. From the council's perspective, they feel there is scope to streamline services including reducing the numbers of providers delivering services (to reduce overhead charges) by using an alliance approach to commissioning.

“One of the recommendations would be for an alliance of accommodation and support services, so we have a number of floating support services, a number of accommodation but it would like to join the two together as an alliance where they all work together so we have a full, clear pathway.” **[County Council case study]**

- 4.12 Some providers engage in options appraisals when services are decommissioned. This process informs disposal decisions (when they sell one of their properties) and sometimes identifies opportunities to introduce new support mechanisms where a change of use is viable. However, several providers also commented that this is not always feasible given the long-term nature of supported housing development decisions. Decommissioning can therefore sometimes result in supported housing being taken out of the market or difficulties in implementing a change in use.

“The investment in supported housing and getting supported housing off the ground takes years, not just from developing something new, actually getting schemes or even change of use. So, if it is change of use of a property through the planning system and getting the community to accept supported housing is really hard and fraught with difficulty.” **[Older people housing case study]**

- 4.13 Frustration was shared across many providers about the assumption that previously commissioned support can seamlessly transition into intensive housing management tasks if schemes are no longer commissioned by local authorities. This reflects funding mechanisms available for housing management tasks under Housing Benefit. Certain charges might be accepted as an eligible service charge covered by Housing Benefit if they are integral on providing adequate accommodation. This reflects a general acceptance that there may be more intensive housing management tasks in supported housing schemes than in general needs housing. However, service charges for care, support or supervision services which are provided with the accommodation and enable residents to live independently in the community are not eligible for Housing Benefit.

- 4.14 Whilst there is a list of ineligible service charges set out in Housing Benefit regulations (including provision of support, care or supervision) there is no definitive list of eligible service charges (Department for Work and Pensions, 2022). Typically, intensive housing management service charges in supported housing schemes might include: upkeep of communal areas; provision of secure building access; the specific time allocation spent by a warden a caretaker providing accommodation related services; and provision of furnishings to tenants while they are in the property. But as eligible charges for Housing Benefit do not include the provision of support services, many respondents acknowledge that intensive housing management does not provide the level of support required by many tenants with complex needs to be adequately supported to live in supported housing in the community.

- 4.15 Respondents provided examples of how the lack of funding for commissioned services can impact on a tenants' security of tenure. One provider described the process whereby a tenant that manages to retain funding for a support worker will continue to have a secured tenancy. However, when a service is decommissioned, then the tenant must vacate the property if funding for care, support or supervision is not available.
- 4.16 Some commissioners suggested that competing priorities within their local authorities influenced how much importance is placed on supported housing for certain client groups, especially in the context of a housing crisis.
- “[The] current housing crisis makes it challenging to develop additional supported housing models as there are competing priorities across the local authority.”
[Scotland case study]
- “The profile of supported housing is seen as peripheral to the housing agenda.”
[Commissioner interview]
- 4.17 Some stakeholder interviews highlighted that enhanced supported housing for older people is increasingly replacing residential care as part of a range of options to support older people to live more independently in the community. While seen as a priority by many, it was also suggested that supported housing provision for crisis prevention such as homelessness services are having to compete for funding available at a local level for older people's housing.
- 4.18 Some providers raised the lack of transparency in funding decisions concerning the decommissioning of service provision for particular client groups as an issue. It was suggested by some that at times local political influence potentially played a role in decisions made. For example, one large Housing Association highlighted a scheme for young parents which had been in high demand but was decommissioned due to wider debates on priorities within the council.

Withdrawal or reprofiling of provision

- 4.19 Evidence collected via the in-depth interviews with providers indicated that some were withdrawing specific supported housing schemes or reprofiling their stock for certain client groups due to lack of funding for commissioned services. This concurred with the finding from the Provider Survey (Table 4.2) that almost a half of providers (48 per cent) said that they had reduced the number of units they managed as a consequence of a reduction in funding available via commissioning or the decommissioning of their units. The in-depth interviews with providers also highlighted their difficulties in retaining particular schemes and need for cross-subsidy due to reduced commissioning contract values and the rising costs of delivering services.
- “It's the first time since I've been around that we are now being subsidised by the rest of the group to keep on delivering care and support because the costs have increased so much.” **[National provider case study]**
- 4.20 Several providers commented that they saw delivering supported housing as increasingly financially risky. One provider stated they now adopt a tougher negotiation approach with local authorities. They withdrew from tenders for contracts that were not uplifted in value citing concerns about compromised quality and standards. In some cases, this had led to tenders receiving no bids. Specialist domestic violence organisations also highlighted contracts that they would not retender for due to insufficient funding. These providers expressed concern that non-specialist providers would step in to fill the gap.

“We’ve got some really poorly funded contracts that we have to subsidise [...] we’re at the point where because of increased costs [...] it’s really difficult for us to carry on subsidising those contracts. We’re really mindful of the fact that if we stop delivering [...] the very strong likelihood is that no other specialist provider could afford to run those services with the budgets that are provided and what’s going to happen is that a non-specialist [...] is going to step into that space.” **[Domestic violence case study]**

- 4.21 Other providers were prioritising which services they continued to provide for particular client groups. One Housing Association commented that they had restricted their development activities to housing for older people as supported housing for other client groups was failing to stack up financially. This presented a fundamental tension for the provider which had a historic commitment to supporting people experiencing homelessness.

“We’re only developing extra care because we can’t gain certainty about new provision for other client groups.” **[Housing Association case study]**

Supply of non-commissioned services

- 4.22 Insights gained from the in-depth interviews indicate that the landscape of supported housing providers delivering commissioned provision in many local authorities remained largely consistent from year to year. Some local authorities reported that some new providers encountered difficulties entering the market due practical and financial challenges. For providers of large, supported facilities like homelessness hostels, difficulties were often related to the scarcity of suitable properties.

- 4.23 Some respondents reported that practical barriers to entry to the market can arise when providers with suitable properties are unwilling to let other providers use their property for similar purposes. Other challenges include uncertainty of referral streams and minimising vacancy rates as this was not something local authorities are able to guarantee. This makes it difficult for new providers to invest in and develop the necessary infrastructure in any given area without there being an assurance of demand for the supported accommodation being developed. The static nature of the provider landscape was suggested by some commissioners to be a broader, systemic issue that affected new entrants across localities.

“I don’t think there’s been a lot of change [in providers]. Some of the challenge of new providers coming is [...] we can’t guarantee work. It’s difficult for a new provider to come in and speculatively develop an infrastructure in an area; I think that’s across the board not just local.” **[Scotland case study]**

“For a hostel it can be really difficult because there’s not lots and lots of hostels around, so if they own the property and provide the support, if you said to them why don’t you let someone else use your property for this, they’re going to say no.” **[Commissioner interview]**

- 4.24 On the other hand, many local authorities were aware of increasing numbers of new providers entering the market. Several mentioned that this additional supply did not always meet local needs. Many raised concerns about certain new non-commissioned providers that were establishing themselves across various local authorities. They suggested that gaps in oversight and regulation of non-commissioned supported housing allows less scrupulous landlords to claim large rents from the Housing Benefit system whilst providing poor quality accommodation or limited support services. The practice of such providers relying on third-party contractors to maximise rents for non-commissioned provision was also referred to.

“Increasingly what you find are landlords will use a third party to set their rents for them [...] like a race to the top almost, they’ll receive freedom of information requests from various organisations asking for the highest level of rent you pay for Housing Benefit in supported Exempt Accommodation.” **[Housing Benefit team interview]**

- 4.25 Concerns were also raised by several commissioners and providers regarding the rise of non-commissioned accommodation for people fleeing domestic abuse. Some examples included providers failing to meet suitable safety standards, mistakenly labelling accommodation as single-sex, and refuges revealing addresses online.

“Non-commissioned providers have set up on their own with very minimal support, claiming to be for victims of domestic abuse, and because there’s no regulation around it, they’re able to claim the higher Housing Benefit.” **[Domestic violence case study]**

- 4.26 Other stakeholders raised lease-based models as an issue where investors purchase properties, often for more than market value, then lease them to providers at high rents. The increased costs are passed on through additional charges included in Housing Benefit claims.

“There is a continued growth of private investors who purchase properties then lease these properties to registered providers. These investors expect a significant return which is contained within the core rent.” **[Housing Benefit team case study]**

Oversight challenges

- 4.27 The National Audit Office (2023) highlighted shortcomings and gaps in supported housing oversight and regulation which allow some landlords with non-commissioned services to charge higher rents while providing poor quality supported accommodation. This emerged repeatedly as a key concern amongst stakeholders during in-depth interviews for this study.

- 4.28 Many local authorities reported facing significant challenges in overseeing or having the ability to exert any control over the establishment of non-commissioned supported housing. Housing Benefit teams expressed a sense of powerlessness in preventing what they often termed 'unscrupulous providers' from exploiting the system for profit. Providers were able to set up supported housing schemes without any consultation with local authorities and in some instances, there was not necessarily any link between new provision and local need.

- 4.29 Housing Benefit teams argued that local authorities should be given the power to refuse any such supported accommodation schemes where local need had not been identified. They felt there should be a process which would enable them to ensure all supported accommodation provision is subject to cross-council checking prior to the service being agreed, preventing saturation in specific localities, and ensuring quality and standards. Some local authorities also stated that resource constraints and the lack of appropriately trained officers were compounding the challenge for delivering oversight.

“There should be a lead in local authorities to ensure that the relevant planning permissions, environmental health checks and licensing. This in itself would not sit fully with Revenue and Benefit departments but be part of the wider working group. It would be better if new supported housing providers should have a legal responsibility to consult with the LA they intend to set up a scheme in. There should be a discussion regarding the need for such provision before the scheme is set up.” **[Housing Benefit team case study]**

- 4.30 There was acknowledgement from some that more recent DWP guidance on assessment of Housing Benefit claims had resulted in an improvement in assessment processes. The guidance highlights that claims should be scrutinised at an individual rather than scheme level. This requires them to seek information about the needs of the claimant in the ‘way they deem appropriate’. This may mean asking the landlord to complete a needs assessment or the local authority conducting their own. Various stakeholders also detailed how they implemented measures to tackle these challenges including: setting up panels to scrutinise rents; ensuring compliance with Housing Benefit legislation; and actively discouraging non-commissioned schemes.

“We make it clear that if it’s non-commissioned then they’re going to have to provide quite a lot of evidence of how they’re actually funding the care and support side.”
[Local authority case study]

“We introduced an electronic claim form, we brought in some new questions [...] that asks them do you need support, care, support or supervision? And why do you need support? And do you expect your landlord to provide it? [...] as part of our verification, we ask for their needs assessment and the support plan.” **[Local authority case study]**

- 4.31 Providers on the other hand, expressed concerns with the introduction of such systems. They felt Housing Benefit teams inquiring about client support needs and plans constituted a breach of confidentiality.

“You don’t provide personal information, but Housing Benefit are seeking information about why that person needs a service charge so there’s a fine line between confidentiality and support needs.” **[Scotland case study]**

- 4.32 Several local authorities also reported that they were reluctant to challenge Housing Benefit claims because of the limited success of legal proceedings. Some Housing Benefit officers also noted the potential negative effects of the challenge on the individual claiming Housing Benefit.

“We can negotiate the service charges that are being paid [...] We can restrict the rent, but there’s not an appeal tribunal that I’ve ever heard of that’s ever been upheld [...] The only person who suffered is the vulnerable adult who’s not getting the rent paid.” **[Housing Benefit team case study]**

- 4.33 A common frustration expressed by many local authority stakeholders arises from the lack of clarity surrounding the expectation of the level of provision of care, support or supervision in Housing Benefit regulations as being ‘more than minimal’ (as generated by case law). This was particularly the case for non-commissioned services where oversight is limited and tenant circumstances may change frequently. Some respondents emphasised the need for a national provider register or accreditation scheme to ensure consistent quality in supported housing. Many advocated for independent regulation and auditing, akin to the Care Quality Commission, to maintain standards. Often the call for a standardised national process was coupled with the importance of proper resourcing, staff training, and funding for expert input.

“The whole process needs to be standardised so that every care provider or housing provider has to go through a nationally recognised process [...] a potential licence scheme that might come in to force that means that someone else with the expertise has done that piece of work and said this landlord or care provider meets the criteria.” **[Housing Benefit team case study]**

- 4.34 To address these challenges, local authority stakeholders argued for a focus on funding streams and legislative measures granting them more control over incoming

providers. Regulatory oversight for non-commissioned supported housing was deemed essential, which would require adequate resources for local authorities for implementation.

“An authority should have the powers to licence schemes to stop the providers just coming into the authority and offering supported housing and then claiming the higher rate of Housing Benefit.” **[County Council case study]**

Workforce challenges

4.35 Many providers raised multiple challenges of maintaining a workforce as a key issue in the sector. This included difficulties in hiring and retaining support staff and how this impacted on the provision of supported housing. Often the struggle stemmed from the nature of support roles and the relatively low rates of pay for the work involved. Respondents stated that the long hours and challenging role of support work, as well as low pay, leads to high staff turnover rates and burnout among support staff. Providing fair pay, including the Living Wage in Scotland and London, was weighed against the tough financial situation faced by support providers. Concerns were raised about the rates of funding being paid to providers which were not adequate to respond to recruitment challenges or the costs of delivery. This was seen as posing a risk to delivery services in certain parts of the county.

“[In] discussions over the last few months about our rates for this year more and more providers are claiming that we aren’t paying them enough, they’re not sustainable, they tell us that they’re losing money on services, and it can’t continue.” **[County Council case study]**

4.36 Stakeholders stated that increasing support needs across client groups required a higher skilled workforce. Existing services often have staff with specific skills and knowledge tailored to certain groups of individuals. When staff vacancies arise, they may not align with the skills needed for the next group of individuals in need. Offering suitable training, as well as better rates of pay commensurate to the level of skill required, was seen as one route to staff retention and making support work a more attractive career option. However, this posed a significant challenge for providers to retain staff to meet the demand for higher level and complex needs as well as funding adequate staff training with resources available.

“Higher support needs of client require more skilled support work so there's a difficulty in providing the required training due to lack of resource.” **[Provider interview]**

“[...] people with the most complex needs one day are in a specialist hospital supported by specialist staff and the next day could be in a social care service supported by people who get paid pretty much the same as working in Aldi [...] when you're supporting people with very complex needs you can burn out really quickly.” **[Scotland case study]**

Demand for supported housing

4.37 The Commissioner Survey indicates that the vast majority of local authorities (86 per cent) report that the demand for supported housing units in their local authority or County Council area will increase over the next five years (Table 4.3). When considered by client group 81 per cent of commissioners thought demand would increase for people with mental health problems, 79 per cent thought it would increase for single people experiencing homelessness and high percentages were seen amongst the majority of other client groups. More than half of the respondents did not

know whether the demand for supported housing for prison leavers or veterans was likely to change over the next five years.

Table 4.3: Percentage of local authorities reporting that the demand for supported housing units in their area will increase over the following five years by client group

	Percentage
People with mental health problems	81
People experiencing homelessness (single people)	79
Older people (55+)	76
People with a learning disability and autistic people	75
Young people leaving care	74
People experiencing homelessness (families)	70
People at risk of domestic abuse	66
Refugees and asylum seekers	64
People with drug or alcohol problems	62
People with a physical disability or sensory impairment	58
Prison leavers	44
Veterans	13
Other groups	33
All supported housing	86

Source: Commissioner Survey, (N=71)

- 4.38 Providers and commissioners taking part in the in-depth interviews also noted they had seen significant increases in demand for services. In some cases, this led to higher access thresholds and greater gatekeeping around referrals. This was making it more difficult to make referrals to some types of supported housing than had been the case previously.

“Because the demand is so high, the threshold to get into services like ours is becoming higher. [Local authority] have a Resource Prioritisation Group [...] where people’s cases are presented and then it’s decided what accommodation they go for.” **[Scotland case study]**

- 4.39 Commissioners noted that demand was projected to increase across a number of client groups in their area in the coming years. Addressing future demand, however, still appeared to be a challenge for which no one has a definitive solution. Commissioners spoke of a need to explore alternative approaches which might be more cost-effective for councils.

“[...] whether we can do things differently and get more for less, but it comes at a cost so that’s a discussion with members about prioritising investment. [...] have we got a plan of how we meet all that need? We can guarantee that the funding’s there? The need that there’ll be in 2030? No, I don’t think anybody has.” **[Homelessness case study]**

- 4.40 Many local authorities referred to the challenges of accurately forecasting demand and co-ordinating new provision relative to strategic need. They discussed a need for and a variety of approaches to forecasting the future demand for supported housing in their areas. These included Local Plans that examined demand and future supply needs; ongoing accommodation strategies; regular assessments of needs of individuals residing in their supported housing services; and multi-agency collaboration (for instance, with public health departments).

- 4.41 Providers also reflected on the extent to which local authorities understood or planned for the future demand for supported housing in their areas and that this varied significantly across the councils with which they worked. Providers also commented on the importance of the introduction of the Supported Housing (Regulatory Oversight) Act 2023 in improving this situation. This will mean that local authorities will be required to consider both supply and demand in their areas and plan for supported housing needs.

“Some of the new Supported Housing Oversight Bill [...] obligations that are placed on local authorities are to understand the supported living marketplace in their local authority, plan around it, look at need, look at supply. I think that might help us be a little bit less reactive, but what happens on the ground is there’s often a very acute need that just arises at one point of time and it can be quite difficult to respond to that at speed.” **[Learning disability and autism interview]**

“Every local authority’s different, they’ve all got different referral systems. The partnership working isn’t very joined up, sometimes it might be who shouts the loudest. [many are unable] to say this is how much specialist supported housing we need, [...] I think trying to understand exactly what the demand is, it’s hard.” **[Learning disability and autism case study]**

Current demand

- 4.42 Meeting current demand was considered challenging for several reasons but most notably due to local authorities having limited resources available. In the Commissioner Survey, 90 per cent of respondents felt that the budget assigned within their local authority or County Council for commissioning supported housing was insufficient to meet the demand in their area. Stakeholders also suggested it was about more than creating new units but should involve considerations of how resources can best be allocated to addressing the changing needs of various client groups.

- 4.43 For example, one provider highlighted the heterogeneity of need within the homelessness client group, particularly between those who are newly homeless, often for economic reasons, and those with a history of homelessness and more entrenched support needs. For the newly homeless population, traditional supported housing hostels may not be the most suitable environment, and alternatives need to be explored. A significant portion of the longer-term homeless population has been in and out of hostels for extended periods, often dealing with substance abuse and mental health issues. To address the needs of this client group, the stakeholder suggested investing in support services; not just creating new beds but allocating resources differently to existing beds.

“We’ve got people who’ve been in and out of homelessness for 20 years with really entrenched substance, addiction and mental health issues, [...] they’re just never gonna move through and they just circulate between hostels or stay far too long [...] what’s needed is some investment in their associated support needs and possibly not lots of new beds but differently invested resources.” **[Homelessness case study]**

- 4.44 Supported housing for older people also presented issues associated with managing evolving demand for different needs which change over time for individuals within a non-homogenous group. The provision for people with low, medium and high needs or extra care housing needs required balancing over time. Providers noted that the needs of individuals can change rapidly during the life of a tenancy and the balance changes after the point of nomination and letting. Some providers commented on an increase in younger applicants to sheltered housing, while others reflected that the age

profile of schemes had become increasingly elderly. Subsequently this older age profile can result in higher health needs relative to support needs. For one provider this mix of needs had resulted in a reassessment of allocations policies for age 55 plus schemes. Older people can also be compelled to move in response to a crisis due to deteriorating health but often have little prior awareness about supported housing options available.

“A lot of the general population don’t really understand the difference between residential care, sheltered housing, retirement living, extra care. When an older person is getting to a point where they need a little bit of support who would know what all those different terms mean?” **[National Housing Association case study]**

- 4.45 Several stakeholders expressed concerns around ageing populations within specific client groups with already greater care or support needs. This was seen as particularly prevalent for people with learning disabilities and autistic people where demand was expected to increase driven by the fact that people are living longer.

“I think we’re seeing more people expecting different types of services in the learning disabilities space, growing numbers of people largely driven effectively by the fact they’re living older.” **[Commissioner interview]**

- 4.46 Health and Social Care Partnerships in Scotland noted they were identifying demand for supported housing for people with learning disabilities or mental health issues through the Dynamic Support Register. This identifies people who are currently in hospital settings (both in and out of area) but who require supported accommodation. Despite best efforts, demand was seen as significant, and accurate predictions challenging to make. They commented that there was still a degree of uncertainty around the size of the group placed outside of area which means this may be an underestimate of demand. Customisation of properties by local authorities also requires very specific adaptations tailored to meet the needs of individuals. However, individuals’ circumstances change over time and it can then be difficult to predict who will occupy the accommodation several years ahead. One stakeholder commissioning provision for these client groups in the Scotland noted it’s like trying to “nail jelly to the wall”.

- 4.47 In other instances, individuals with learning disabilities and autistic people may have been residing at home with aging parents or caregivers who can no longer provide care. Demand for supported housing can then emerge in crisis situations, making it challenging for providers and commissioners to respond proactively.

Demand for complex needs provision

- 4.48 Many commissioners and providers stated that more clients were presenting with more varied and complex support needs which are harder for services to address. As one provider explained, whereas ten years ago they would have been supporting people with one or two identified needs, now clients are likely to need support in three or four issues, such as mental health, physical health, ex-offender status, drug and/or alcohol abuse, as well as with financial and housing needs. This suggests more overlap and a lack of distinctness between some client groups, further making demand more challenging to predict and effectively meet.

“Whilst we’re seeing a reduction in services, we are also seeing an increase in demand in terms of numbers, part of that’s Covid-related, part of that is due to reducing services, but it’s also an increase in acuity and the severity of the risks that people are presenting with.” **[NHS and mental health case study]**

- 4.49 Increasing demand from people with complex needs was attributed by some stakeholders to partly reflect increasing pressures on wider statutory services. In one local authority mental health pathway, this was attributed to people being discharged from the local Foundation Trust earlier than they might have been in the past. Increasing thresholds and pushback when referring into statutory services was also reported as a significant challenge. Supported housing providers were increasingly having to step in and meet the gaps which statutory services might once have met.

“Even just getting them a [statutory] referral and getting them accepted, we get so much push back to the service that they don’t need it [...] they just don’t meet the thresholds.” **[Local authority case study]**

- 4.50 Several providers emphasised that meeting the demand for higher levels of support is difficult to do sustainably in the current funding context without making a loss, unless other revenues are secured. The lack of a comprehensive solution for individuals with complex care needs in services adds pressure to the pricing of schemes and poses challenges for both staff and other residents. In many cases, services did not feel equipped to meet such complex needs which deviated from their primary purpose. A particular issue with increasing complexity of need was attributed to extra care housing, where staff are not necessarily trained to meet needs which emerge during the life of a tenancy. Issues of staff retention should be reiterated here, with particular concerns reported from providers across case studies. Many providers spoke of the importance of greater support, staffing and expertise to respond to the higher level and complex needs.

“We are seeing more residents with higher, more complex needs. This is making services more difficult to manage with more intense environments for staff to work in.” **[Wales case study]**

- 4.51 One stakeholder in Wales noted that the increasingly complex needs of homeless people, mental health in particular, were potentially not adequately addressed due to constraints of funding available via the Housing Support Grant. They saw this as hindering the commissioning and establishment of specialised services such as psychological support and trauma-informed care.

“There is still not enough capacity in the system for specialist accommodation [...] The needs of the people we support are massively increasing requiring more intensive staffing. The funding [and] commissioning is not available to allow for more intensive staffing.” **[Wales case study]**

- 4.52 Some stakeholders commented that reductions in homelessness services were having knock on effects on wider statutory services including increasing the pressure on mental health pathways. Examples given included mental health services needing to arrange accommodation for homeless service users when previously this would have been provided by the local homelessness services. One London Borough commissioner explained how they had also experienced this process in reverse. The loss of supported housing units in the mental health pathway had increased the pressure on the homelessness pathway to find accommodation for the clients they could no longer support.

- 4.53 Some local authorities detailed in-house provision and support for homeless clients and rough sleepers with complex needs. This included a council which both owns and leases properties, employs staff and carries out the support in-house. The housing professionals in this authority felt that the council are managing to succeed with clients who have sometimes been around the supported accommodation system four or five

times and have had repeated instances of rough sleeping or homelessness. Using Rough Sleeping Accommodation Programme funding for these complex needs clients, who do not have access to any other pathway and are currently excluded from the council's housing register, results in them being referred to the county's lettings agency.

"We help them manage a tenancy and try and get them that clean tenancy and reference to then get them onto our choice-based lettings system." **[County Council case study]**

Demand for move on accommodation

4.54 Numerous respondents in the in-depth interviews and open-ended responses to the Commissioner Survey and Provider Survey raised substantial issues around the lack of suitable move-on options across client groups. Many commented on the lack of affordable housing stock as an issue that is impacting on supported housing providers' ability to help people transition out of supported housing. The lack of availability of move-on accommodation was seen as a key factor in extending the duration of stay for many tenants in supported housing. This has a knock-on effect on the overall availability of supported accommodation spaces and was seen to lead to unmet demand.

4.55 For a proportion of clients with the highest support needs, there was an acknowledgement that some – even those in shorter-term, transitional supported accommodation – will require high-level support for a long time. The short timeframes of some supported housing placements were highlighted as a limiting factor in delivering longer-term positive outcomes. While learning disabilities provision was largely understood as a lifelong support service with permanent tenancies, people leaving homelessness and mental health crisis may also need years of support to live independently, with some never reaching independent living. As part of their commissioning, some local authorities were looking at providing additional support after people move on from supported housing as a way of helping people to sustain their new tenancies and as a preventative measure to reduce returns to supported accommodation.

"[...] but for some people that can take years and just getting somebody into a room and getting people fed and looked after and getting them registered with a GP [...] that's a huge step forward but your 18 months, two years might run out and it's took you all of that time just to get them to that point." **[National Housing Association case study]**

"[...] people with that revolving door homelessness and their ability to live independently is severely impaired and they tell us they don't want to live independently, they want someone to effectively manage their front door." **[Homelessness case study]**

4.56 One homelessness provider explained that they were facing situations where residents were ready to move on to more independent living but were unable to do so due to a lack of available properties locally. Housing Benefit requirements require the provider needed to demonstrate ongoing support engagement (Department for Work and Pensions, 2022:152). The provider, however, explained that this can become increasingly difficult when residents' support needs had decreased, and the individual no longer desired the level of support being offered. This potentially increased their risk of further homelessness if suitable move on accommodation could not be sourced as the individual could not remain in their current supported accommodation without a funded support package.

“They’ve learnt lessons about anti-social behaviour and have calmed down in their property, they’ve done all that but we’re trying to keep them engaged on a weekly basis and it’s like we’ve done everything that you asked, why do I keep having to do this, and they don’t necessarily want the support.” **[Homelessness case study]**

- 4.57 In the domestic violence sphere, stakeholders spoke of women and families leaving refuges often being placed in temporary accommodation by local authorities due to a lack of suitable housing. In addition, several providers highlighted instances where safe accommodation spaces were being occupied by clients who were ready to move on, but had nowhere to go, impacting on the availability of refuge spaces for new clients who were fleeing domestic abuse. Again this led to unmet demand. Move-on accommodation from refuges was a particular challenge for women with no recourse to public funds.

“We’ve had so many women [...] where they’ve been in refuge, their domestic violence support needs have been met, the legal needs have been met, the practical needs have been met, the emotional needs have been met, domestic violence awareness needs have been met, the only outstanding need is that the immigration is outstanding, and housing.” **[Wales case study]**

- 4.58 The lack of affordable and good quality private rented sector housing in one large urban local authority area presented an issue for capacity of young people’s supported housing. The average wait for someone moving out of supported housing in the case study area was around two years, which meant that the local authority may also be paying for supported accommodation where it was no longer needed. The scale of demand and duty of care to vulnerable young people had resulted in the local authority paying the shortfall between the Local Housing Allowance rates and the rents charged by private landlords in some cases.

“This is not sustainable in the long term and are we just pushing up the market rents in the city by doing that.” **[Local authority case study]**

- 4.59 Providers of supported housing for veterans also highlighted a lack of suitable move-on options as a significant challenge for their clients. One provider noted that a large proportion of accommodation was leased from private landlords. They were then experiencing significant challenges when landlords were looking to sell their properties to release the equity, leaving them facing relatively short-term eviction notices on schemes that had been running for several years, as well as with a lack of property for their clients.

Unmet demand

Unmet demand in specific localities

- 4.60 Providers stated many clients prefer to stay in their local area rather than relocating to supported housing elsewhere. This poses significant challenges to providers in meeting demand for specific provision in various localities and especially in rural areas with more dispersed settlements. As a result, certain client groups needing specialist support can either end up residing in projects unsuitable for their needs or resorting to non-commissioned services. The lack of supported housing in specific locations was also seen as contributing to a greater pressure on wider services.
- 4.61 Several respondents highlighted this as a particular issue in relation to high demand provision and particularly for people with learning disabilities. The stakeholders’ views on these issues echo those highlighted in a report by the Welsh Government (2018) on the Improving Lives Programme. The report highlights the need to reduce incidence

of people with learning disabilities being housed outside county or country due to regional shortages.

- 4.62 The benefits as well as the challenges of transitioning to locality-based commissioning were raised by several respondents. In one example, this had been the result of a local authority they worked with shifting to commissioning group services within specific localities. This meant they needed to change their previous model of offering county-wide services. The new locality-based approach assigned each provider to a designated area which streamlined staffing resources and community engagement. This enhanced community presence, local knowledge, and links with local organisations. It also facilitated referral routes as well as engagement in peer support and community projects which targeted early intervention. However, this situation was not without its challenges:

“Where you’ve got a real rural area and not many services across a big county it’s more difficult to replicate that model at any scale. So that’s not very attractive to providers when they’re quite small localities in a rural area.” **[Wales case study]**

- 4.63 Many providers acknowledged that meeting demand for supported housing across large counties, in particular localities, or in rural or sparsely populated geographical locations is challenging. Staffing models and staffing shortages make this difficult to do cost effectively, especially with dispersed properties or small bespoke supported accommodation. Other respondents noted that it was demand for particular types of property that it was difficult to meet significant demand for.

“[...] getting a provider to just do that [provide one small property] isn’t cost-effective for them, which is why we fail to attract the main providers into the county [...] So quite often we do need a lot more supported accommodation but the feasibility of it and staffing and cost-effectiveness is pretty much impossible for the areas that we need it in.” **[County Council case study]**

“Currently demand for permanent one-bedroom accommodation far outweighs supply. This has resulted in people staying in emergency temporary accommodation and single person temporary supported accommodation longer than necessary. This is particularly evident in those who are vulnerable and with multiple unmet needs.” **[Wales case study]**

Unmet demand for specific client groups

- 4.64 The Commissioner Survey asked local authorities and County Councils about whether there is any unmet demand for supported housing in their local area. Table 4.4 shows that over half of commissioners indicate there is some degree of unmet need across all supported housing in their area. The combined figure rises to two thirds of local authorities when considering if there is unmet need for people with mental health problems, 62 per cent for single homelessness and people with a learning disability and autistic people, and 60 per cent for young people leaving care.
- 4.65 Only eight per cent of commissioners indicate that, in their opinion, there is no unmet need. The figure is comparably low for most client groups with the exception of older people’s housing with 21 per cent of commissioners reporting there is no unmet need for this client group. It is also worth noting that 40 per cent of commissioners are unable to make an assessment and did not know the extent to which there may be unmet need in their area. The proportion of commissioners who do not know whether there is any unmet need varies by client group: 78 per cent for veterans, 55 per cent for refugees and asylum seekers, and 51 per cent for prison leavers. This may be an indication that support services for these groups are commissioned as part of wider

short-term or transitional accommodation rather than specifically allocated to these client groups.

Table 4.4: Percentage of local authorities with unmet need for supported housing in their area, by client group

	No	Yes - some	Yes - lots	Don't know	Total
Older people (55+)	21	26	23	30	100
People experiencing homelessness (individuals)	4	31	31	33	100
People experiencing homelessness (families)	5	29	27	38	100
Young people leaving care	5	35	25	35	100
People at risk of domestic abuse	9	30	16	45	100
People with drug or alcohol problems	8	29	24	39	100
Prison leavers	5	28	16	51	100
Veterans	10	8	3	78	100
Refugees and asylum seekers	5	18	22	55	100
Other	6	6	6	82	100
People with mental health problems	9	29	36	26	100
People with a learning disability and autistic people	10	29	33	28	100
People with a physical disability or sensory impairment	11	25	16	47	100
All supported housing	8	21	31	40	100

Source: Commissioner Survey, (N=61)

Note: Rows may not add to total due to rounding.

Unmet demand for homelessness provision

4.66 The stakeholders interviewed reported there was significant unmet supported housing demand for people experiencing homelessness. This concurred with the Commissioner Survey findings where 62 per cent of commissioners thought there was some or a lot of unmet need for single homelessness provision and 56 per cent thought there was unmet demand for homeless families. Many issues were highlighted by respondents as factors in this unmet demand including having increasing demand for homelessness services, socioeconomic challenges, post-COVID issues and the cost-of-living crisis. Women-specific and LGBT+ provision were also identified as notable gaps in homelessness provision by commissioners. There was a recognition by some that women's needs were not being met in mixed accommodation which led some women to refuse supported accommodation offers.

“All our hub interactions indicate that there's a much bigger cohort [...] and far too often they're getting themselves into difficult relationships in order to get accommodation.” **[Combined Authority case study]**

4.67 The need for more supported housing to address homelessness needs was raised by some stakeholders in Wales. Priorities specifically included additional support needed for those facing multiple disadvantage or complex needs, domestic abuse, specialist women's services and support for care leavers. An increase in the volume of homeless service users in Wales was seen as placing a greater burden across local authorities.

“We are facing unprecedented housing demand including a very significant increase in the number of people who require homeless services.” **[Wales case study]**

Unmet demand for domestic abuse provision

- 4.68 Despite the availability of new funding for local authorities under the Local Authority Domestic Abuse Duty (Ministry of Housing, Communities and Local Government, 2021), stakeholders still felt there was unmet need for supported housing for domestic abuse survivors. This echoed the findings from the Commissioner Survey where 46 per cent of commissioners thought there was some or a lot of unmet need for this client group. One interviewee noted that accessing the funding available would be more challenging for smaller providers.

“There’s a shortfall in the new burdens funding allocated to that duty and the amount needed to house survivors in refuge accommodation at a level that meets need across the country. [Larger providers are] able to access that funding maybe more readily than a smaller organisation who doesn’t have the time or resources to engage in the commissioning processes in the same way.” **[Domestic violence case study]**

- 4.69 The availability of suitable accommodation for people experiencing complex and intersecting needs alongside domestic abuse was raised by several stakeholders. Interviewees and survey respondents cited a lack of appropriate safe accommodation for those with a physical disability. Demand for supported housing which is culturally specific and tailored to the needs of women from specific ethnic groups was also noted as outstripping the availability of such support. This includes refuge spaces with support designed for women facing honour-based abuse, forced marriage, and female genital mutilation. Explaining the importance of such specific accommodation, one provider commented:

“She’s going to want to be able to walk in and know am I going to be able to cook the food that is appropriate for me in this house, am I going to be able to pray in a room that is clean and meets the needs of my faith [...] and who are the women that are going to be supporting me, are they culturally aware?” **[Domestic violence case study]**

Unmet demand for mental health provision

- 4.70 The Commissioner Survey indicates that almost two-thirds of commissioners thought there was some or a lot of unmet need for supported housing for people with mental health needs. This was the highest proportion for unmet need across all client groups. Numerous stakeholders discussed that they had observed growing demand for supported housing for people with mental health issues over several years and they noted that this trend predated the pandemic. Several also commented that this increase was contributing to higher levels of unmet demand in their area.

- 4.71 The in-depth interviews identified particular sub-groups of the population as having unmet need for mental health support provision specific to multiple needs. Often, the unmet demand was for groups with characteristics that straddled more than one primary client group and related to lack of provision that needed to be tailored to multiple needs. For example, this included women with complex needs and those with a condition such as autism. It was noted that often females in secure pathways can get stuck in hospitals due to a lack of appropriate or single sex accommodation suitable to meet their needs. A lack of supported accommodation for people leaving hospital with mental health issues was also raised as a priority. This can lead to pressure on wider support services as many families are unable to cope with having a loved one at home who is mentally unwell.

- 4.72 Similarly, neurodiverse patients were seen as not appropriately served by the community infrastructure. There were concerns raised that some people in this group were being placed in hospitals or secure units for too long. Those with physical disabilities and who may need wheelchair adapted accommodation were also noted as having poor provision. It was highlighted that a lot of people can fall between the gaps in supported accommodation service provision/pathways including those who have issues and problems that stem from complex trauma, and drug and alcohol misuse.
- 4.73 There was seen to be a lack of long-term mental health supported accommodation provision particularly for people in their forties and fifties. It was also suggested that there is a younger cohort of people with mental illness, who have physical comorbidities, who may have been taking drugs and medication for their condition for a long time that would benefit from a housing with care type model.
- “Some of our service users have been unwell since they were 16 and they've got all the co-morbid physical health issues [...] And a lot of them would like to have their own front door, but don't necessarily want to be out there in a flat in an isolated situation.” **[NHS and mental health case study]**
- 4.74 Other respondents specifically raised issues with a lack of provision which is responsive to ethnically diverse communities' needs. In some areas, respondents highlighted that they thought there was a high proportion of people from local communities where support traditionally comes from within families. In these areas, it was expected there may be additional hidden unmet demand.
- 4.75 A much greater focus on prevention was felt to be needed in supported housing provision for mental health clients. One suggestion included creating models similar to Housing First but specifically for people with mental illness. This would help to overcome some of the issues and challenges associated with having to move people into general needs accommodation.

Unmet demand for learning disabilities and autistic people

- 4.76 Over half of the respondents to the Commissioner Survey stated that there was some or a lot of unmet demand for supported housing for residents with learning disabilities and autistic people in their area. This came through as a consistent issue amongst many of the stakeholders who took part in the in-depth interviews. In turn, stakeholder views in this study also chimed with the conclusions drawn in a recent report on the provision for people with learning disabilities and autistic people undertaken by Housing Learning and Improvement Network (2023). They highlighted significant increasing need for supported housing for this specific client group and that this posed a critical housing challenge for future provision. Interviews highlighted that increasing demand was driven by various factors such as changing demographics (increasing life expectancy), people residing in inadequate accommodation, individuals living with ageing parents, and changing attitudes of local authorities toward residential care.
- 4.77 More support funding is available for those with higher needs, among people with learning disabilities and autistic people, due to the government's focus on hospital discharge through the NHS Transforming Care Programme (NHS England, 2015) and the Care Act 2014. Work was also underway in Scotland and Wales to identify people with learning disabilities who had been placed out of area or country.

“This work through the Coming Home report provided money to support people to move out of hospital and to come back to [LA]. So, we're in the process of starting

quite a significant piece of work that all of our health and social care partnerships are having to do around the dynamic support register, which will be to dynamically assess and plan for a specific group of people with a learning disability.” **[Scotland case study]**

“When you look at Welsh Government’s statistics on the numbers of adults with a learning disability who are either out of country, are living at home [...] then there’s definitely a significant level of unmet need.” **[Learning disability and autism case study]**

- 4.78 However, those with lower-level needs were seen as falling through gaps in supported housing provision. In England, some respondents referred to regulatory constraints as being a contributory factor specifically related to the rent standard and the definition of specialist supported housing limiting the ability to charge rents for individuals who do not require a level of support equivalent to that of a care home. This limitation affects the accommodation options for people with learning disabilities and autistic people needing lower-level support.

“A lot of the resources are going to the highest need, highest security, high cost cases, much less going to people with lower support needs.” **[Learning disability and autism case study]**

- 4.79 The complexity of need among people with learning disabilities and autistic people was seen to have increased significantly. Intersectionality of need is a key consideration for people with learning disabilities in supported housing, including past trauma, sensory needs, mental health, and drug and alcohol misuse. One housing provider emphasised the underlying role of trauma in support needs, something that is not necessarily reflected in staff training and service provision. A significant gap was also identified in provision for adults with autism without a learning disability and adults with sensory needs. The lack of units for people with complex needs, autism and learning disabilities meant that authorities were frequently having to spot purchase accommodation.

Unmet demand for older people

- 4.80 The Commissioner Survey indicates that just under half of the commissioners thought there was unmet need for supported housing for older people in their area. For one in five commissioners they thought supply was sufficient in the local authority or County Council area. There was also evidence across the case studies that supported housing development has increasingly been concentrated in housing for older people amongst many Housing Associations. This was seen to reflect greater security in commissioning of services and greater viability of development plans for extra care provision.
- 4.81 However, other providers reported that there were still substantial gaps in supply housing for older people given an increasingly ageing population which increasingly saw demand outstripping supply. One provider noted that it was also not always feasible to deliver annual targets for planned new units and that they had only managed to achieve half of their proposed target this year.
- 4.82 Local authorities that had undertaken needs analysis and research within their areas indicated that there continues to be unmet need for housing options for people with limited financial resources. Some local authorities commented that it is not just the overall number of additional units supplied that was important to meet demand. Instead, a more nuanced approach was needed that considered what types of units, for which types of people, with what level of need, and in what local communities. The

needs of older people from specific ethnic communities and LGBT+ (lesbian, gay, bisexual and transgender+) people were also seen as not being currently met in supported housing provision. Providers suggested that meeting these needs had become a strategic priority.

Unmet demand for veterans

4.83 The Commissioner Survey indicates that more than three-quarters of local authorities do not know if they had any unmet need for supported housing for veterans in their area. This may not only be an indication of a knowledge gap amongst local authority commissioners but that potentially this client group may not feature as a specific priority group in their needs assessment.

4.84 However, in the in-depth interviews many stakeholders working specifically with veterans felt that, historically, there had been a gap in the provision of commissioned supported accommodation specifically for veterans facing homelessness. As one stakeholder notes below, the lack of supply of veteran-specific supported accommodation means that this client group often have to travel long distances to access the support they need.

“Veteran homelessness, the level of need isn’t such that it requires a veterans’ scheme in every single local authority so veterans will often travel significant distances to access the support they feel comfortable accepting. So, within a veterans’ service you’ll have people with a range of different local connections.”

[Veterans case study]

4.85 Another veterans provider organisation noted that for them it was less of an issue of a need for further expansion of more units, but more the difficulties of sustaining the level of current supply that they provided. The reliance on charitable funding for this part of the sector was mentioned as a risk by several of the providers in their longer-term ability to continue to meet current demand. Certain providers spoken to were more active in the supply of non-commissioned supported housing. For them, the non-commissioned model had allowed them more flexibility in the delivery models they operated to meet current demand. But again, this was reliant on the level of charitable funding they could maintain.

“What the non-commissioned route has allowed us to do is develop models of working, partnership working which is more flexible and potentially more focused on the beneficiary and the outcomes wanting to be achieved for the beneficiary, rather than the more restrictive local authority commissioning model [...] So it's the non-commissioned models give us more flexibility in both delivery of the service, access to service, but then the challenge is how to fund it.” **[Veterans case study]**

Unmet demand for complex needs provision

4.86 The in-depth interviews with providers and commissioners also noted that demand for provision across all service types for clients with complex needs were increasing. Many stated that there was a need for more housing tailored to individuals with multiple and complex needs. There was consensus across many interviews that much of the demand around complex needs is currently unmet. This can include provision for people with substance misuse or mental health issues who may also have physical health concerns. The individuals may not be able to access nursing homes or care homes due to their substance misuse or mental health issues. Yet, this gap in support put pressure on support staff in supported housing who were increasingly having to function as support providers for those who require a high level of care.

“For people with medium to high needs, there’s not enough bed space [...] so our nine- bed hostel for people with complex needs has probably got 10 people waiting, so they’ll be sitting in some other accommodation that’s not suitable for them.”
[Combined Authority case study]

Referral systems for matching provision to unmet need

4.87 The approach of having people live together in group settings, while efficient in some respects, can be problematic when trying to match new residents to existing vacancies. Shared housing arrangements can be problematic due to compatibility issues among residents, particularly when individuals have unique needs. Consequently, many organisations experience voids in shared houses that can be difficult to fill due to incompatibility concerns. Physical limitations, such as difficulties with stairs or a lack of disability-friendly features, further restrict the suitability of certain properties. Despite the existence of vacancies this can mean unmet need persists because of the imperative to match individuals with the right type of housing (and other tenants) that suits their specific requirements.

“What we have in common with other organisations similar to us, you have quite a lot of voids [...] but they mostly are rooms in shared houses where we just can’t put somebody else in there because they won’t live successfully with the other people in that house.” **[Learning disability and autism case study]**

4.88 Several case studies raised issues to do with effectively matching people with suitable properties and this often relied on effective referral policies. Referral routes and processes were highly variable and dependent on the local authorities they worked with as well as the profile of particular client groups. One provider discussed how they were contractually prohibited from accepting self-referrals, describing instead how they work with the professionals surrounding the individual to conduct their own assessment and, if supported living is sought, they will advocate for them and produce a compatibility profile to match properties and residents. This provider describes this process as intensive, and they emphasise their involvement at all stages.

“So what we tend to do, and not all local authorities like it because they might have somebody who’s in really high demand of needs accommodation and we’re actually saying no, that doesn’t meet with the compatibility of the two people currently living there.” **[Provider interview]**

4.89 Another provider described how specific provision is channelled through a gateway run by the local authority. This process involved its own compatibility measures, including panels, to match people from the in-need list to available accommodation. This was, however, sometimes problematic.

“Contract one is a much larger provision, they’re more like big hostels, so the young people going into those are young people that allegedly have less support needs, although I think they’ve also seen the support needs increase and sometimes they will come from that contract into ours, cos they’re really struggling in a big environment. **[Wales case study]**

Development of new supported housing

4.90 The National Audit Office (2023; p14) provides details of the key Department of Health and Social Care and Ministry of Housing, Communities and Local Government funding mechanisms to expand the supply of supported housing. The first of these, the Care and Support Specialised Housing Fund which is managed by DHSC, provides capital expenditure for housing providers to develop new supported housing units specifically

for older people, people with a learning disability and autistic people, people with a physical disability, or people with mental ill health. The fund had a budget of £51 million in 2022-23 and a further £71 million for each of 2023-24 and 2024-25.

- 4.91 The Ministry of Housing, Communities and Local Government provides funding for supported housing via the Affordable Homes Programme. The National Audit Office reported that there has been mixed progress on delivering new supported housing through this mechanism. By March 2022, approximately 12,000 supported homes had been developed outside London. The new iteration of the 2021 Affordable Homes Programme set targets of delivering between 15,700 to 16,500 units. However, in May 2022 the Ministry of Housing, Communities and Local Government announced that it did not expect to meet these current targets.
- 4.92 Homes England fell short of the targets they had set for delivering new supported housing. They allocated funding for 8,471 homes against a target of delivering between 12,200 to 13,000 units. The Greater London Authority allocated funding for 325 supported homes in London, but this was less than a tenth of their target of 3,500 units.
- 4.93 The present study indicated a similar mixed picture of limited new development and this often being concentrated in provision for certain client groups. Providers often cited the financially risky context of the supported housing sector and the limited availability of suitable housing stock, and development sites, as significant barriers to new development.

Accessing funding for development

- 4.94 Providers stated they face a notable shortage of capital grant funding for new supported housing schemes. While larger developers rely on private sources for funding, smaller providers without an asset base find this option impractical. The general sense of uncertainty in the supported housing sector had also made expansion less appealing to both traditional and new providers.

“I think we're in a bit of a bottleneck because providers are finding it harder to make the finances stack up. From speaking to other registered providers and our own experience is the market has stagnated or certainly slowed down for a period. And part of that is due to there's not a massive amount of public funding into supported housing, so you've gotta rely on some private money. Obviously that comes at a cost, but then the picture's changed from maybe a decade ago, where supported housing was seen as a safe bet.” **[Learning disability and autism case study]**

- 4.95 Capital funding through the Affordable Homes Programme through Homes England was out-of-reach for many of the providers spoken to and they found it difficult to successfully navigate access to funds. Some attributed this to the eligibility criteria for providers having to meet affordable rent standards, which was not possible for a large proportion of providers with higher-specification properties and specialist adaptations.

“The reason why hardly any provision is being funded through that route is as soon as you get to Homes England, you have to meet what the rent standard says, you have to meet affordable social rents.” **[Learning disability and autism case study]**

“Unless you secure Homes England funding, which I have to say is nigh-on impossible, I think people are giving up because it's so difficult.” **[Local Authority interview]**

“If you try and do it in the traditional Housing Association way where you apply for capital funding to Homes England and develop it and obviously put in your own

money and try and get enough to make it work, you just can't. The costs of developing supported housing, because it's small scale, because it's got to be higher spec, it's got more communal areas, all of the different additional costs mean that it's almost impossible to make that work financially." **[Learning disability and autism case study]**

"We are currently building [...] affordable flats for young people, the project costs have doubled in two years. Homes England struggle to understand the concept of flexible housing for young people and the restrictions faced by small developing registered providers; so this puts added risk and pressure onto small organisations." **[Homelessness provider]**

- 4.96 In addition to difficulties in securing capital expenditure, numerous respondents also stated that an inability to secure stable revenue streams, to deliver support services with the accommodation. This heightened the level of financial risk for new development as there are no guarantees from local authorities that commissioned support would also be funded. The use of short-term commissioning contracts or procurement mechanisms within these contracts was introducing further barriers and financial insecurity.

"If you want to give your providers some stability and enable them to work with you in an alliance partnership over a longer-term arrangement then I think it's only fair that what you do is you give them that financial underpinning via block contract." **[Local authority case study]**

"Obviously, we're not going to develop a scheme, buy a £1 million bungalow or buy a site and develop a site if we aren't clear from the outset that the commissioned support will be funded." **[Learning disability and autism case study]**

"We've had to go out to say to Housing Associations this contract's come out, they want 50 units of accommodation, but they've only got [less than 50] units of accommodation so have you got any new builds happening and can you help us out." **[Wales case study]**

"The capital to develop schemes often comes with short-term revenue which is a significant barrier." **[Older People provider]**

"Longevity of support contracts, and marrying up of support contracts e.g. Housing First support funding for only three years, so hard to commit to longer-term development." **[Homelessness provider]**

- 4.97 Some stakeholders recognised that traditional new builds may not be readily able to accommodate the specific needs of a specific cohort of individuals with learning disabilities that may require housing within a particular locality. For some providers this had led them to explore alternative solutions like modular housing to meet their development needs and adaptation requirements.

"The specific design that's needed for some of those individuals, you can't accommodate them within new builds so we're looking at modular housing, different types of housing as another solution that might meet their needs but if we don't find anything there's a real acute housing problem because there just isn't anywhere else to support these individuals." **[Scotland case study]**

- 4.98 Some local authorities and providers stated the restraints on housing budgets were limiting the development of new services. Stakeholders increasingly looked at more cost-effective methods that did not involve new development or relied on refurbishment of existing properties. While one stakeholder explained how they were utilising existing

buildings to be used differently another stated that funding available was still insufficient to meet demand.

“The other area we are spending capital on is refurbishing our own buildings, so repurposing them.” **[Learning disability and autism case study]**

“Identifying, securing, developing and refurbishing suitable properties for the provision of supported housing are all key challenges. Many housing providers have left the market – capital funding grants available are unviable for the complex nature of developing new supported housing stock. Stock remains nowhere near the level required to meet need.” **[London provider]**

- 4.99 Others stated that they did not think it is feasible to build enough infrastructure to meet the demographic trend toward an ageing population, and felt a shift was needed to develop more flexible models of housing support. Such models may focus on delivering support to individuals in their own homes, using aids, adaptations, and technology-enabled care, with additional support provided through in-person or video chat services. These respondents saw the potential of new technology as an alternative to creating new supply through additional development. They also saw technology not just as a cost-saving measure, but as a way to reduce the burden on individual support workers.

“The reality is we’re never going to build our way out of that so what we’re now looking at is how can we develop more flexible models of housing support that can be delivered to the person in their own home, backed up by aids and adaptations and backed up by technology-enabled care with a bit of floating support either in person or via video chat.” **[Scotland case study]**

- 4.100 In Scotland, one respondent noted that while funding had been made available through various government initiatives (repatriation from out-of-area placements, for instance), this was only available on a one-off basis and it was not seen as providing the necessary recurring financial support for sustaining these models.

- 4.101 In Wales, several respondents commented on a more positive framework for funding for new development being available. Although some respondents attributed the shortage of properties available to perceived shortcomings in the Housing Support Grant, others saw the funding landscape in Wales as improving over time. This included the availability of the Welsh Government’s ‘Rebalancing Care and Support’ and ‘Housing with Care’ programmes. These latter programmes can be accessed through regional partnership boards and help to contribute towards development costs.

“There is what I would describe as a reasonably positive capital picture within Wales between Social Housing Grant and the Housing with Care funding [...] There have been changes over the years. Integrated Care Funding when it came in in 2019 was new, previously we were only accessing the Social Housing Grant so that was an increase in capital fund availability and that has continued really.” **[Learning disability and autism case study]**

“I think there will be pipeline things, they just take a while to come through and Welsh Government have got, it used to be called the Intermediate Care Fund, I think it’s called Housing with Care Fund now, that’s specifically used by regional partnership boards to develop more complex type services so I think more of those will be coming through.” **[Wales case study]**

- 4.102 Despite respondents detailing the challenges they faced in accessing capital funding or balancing the finances of new scheme development, there was evidence of pockets of development in several case studies. One County Council detailed a recently

completed a three year project, constructing a number of high-standard bungalows on council owned land. These had been developed in collaboration with a private developer and the units were designed for individuals discharged from long-term mental health hospitals with high level needs. Whilst this development had been concentrated in a specific location, they had aspirations to expand into other localities to ensure comprehensive coverage across the county in the future.

“We’re looking at the needs that we have for certain service groups, it’s what you should do anyway, identify the need you have and develop the service for that. Historically and in reality, that hasn’t always happened because you utilise the vacancies, but I think we need to try and modernise our services to make them more adaptable to what we need.” **[County Council case study]**

- 4.103 In another local authority area, commissioners for older people's housing have collaborated regionally, engaging developers to redevelop former council sites into extra care housing. A consortia of developers led the coordinated efforts, managing the build, housing, and care packages. Homes England funding had supported development costs for some of the extra care builds, leveraged by registered providers. The council retains nominations rights on these new developments for up to 75 years.

“There was a recognition that as a council we couldn’t just carry this all on our own shoulders so we did essentially a market engagement where we said to everyone [area] needs extra care, we want you to come here and develop and build it, here’s an idea of the kind of developable sites that the wider market might be interested in [...]. I don’t think that line of engagement particularly generated much development and that’s why you then have the package one and package two where it was really being steered and driven through two very focused development programmes.” **[Local authority case study]**

Availability of stock and development sites

- 4.104 Many providers and commissioners explained there were significant challenges for new development or expansion of provision. Many of these barriers stemmed from limited availability of suitable housing stock for conversion to supported housing stock, the availability of land and development sites, and the high cost of both land and property. The shortage of local authority housing stock available was also given as an example by one local authority of a factor which impinged on their efforts to develop further provision. Certain geographical locations also pose particular challenges for land or property values for developing new schemes, especially in London, the South East and other major cities with high housing costs.

“It is also important to consider the impact of availability and cost of land, the cost of the build itself – both of which have significantly risen and alongside this the housing crisis.” **[Provider]**

“Land banking, lack of accessible land and land cost all make development of new services very difficult. There is no demand for low-cost single occupancy accommodation according to housebuilders even when we know it is what is causing the log jam in our accommodation.” **[Local Authority commissioner]**

“The development or acquisition costs of the specialist accommodation far outstrip even the specialist and supported grant rates with Homes England.” **[Provider]**

“Sourcing of properties or available land to build upon are in very short supply and cost of refurbishment/build has risen sharply.” **[Young people provider]**

“I mean developers don’t want to do it really. And land is so expensive.” **[London local authority case study]**

4.105 There were wider concerns raised by respondents about the high costs of development and that rates of funding available did not necessarily cover these costs. The very nature of supported housing requires a higher specification, practicalities for clients and staff availability to be considered, as well as the cost effectiveness of certain models of delivery. Supported housing for individuals with learning disabilities, in particular, demands higher specifications including more space. However, finding appropriate development sites in accessible and safe locations, especially for staff working night shifts, is seen as a considerable hurdle. One provider noted that extra care schemes require a minimum of 60 units to provide the return on investment and economy of scale in onsite care provision to make the schemes viable.

4.106 In homelessness provision, some local authorities had benefited from Rough Sleepers Accommodation Programme (RSAP) and Supported Housing Accommodation Programme (SHAP) funding. These initiatives involve both revenue and capital funding, and efforts were being made in some local authorities to refurbish existing facilities for SHAP or developing Housing First through RSAP. However, in other local authorities supported housing for people experiencing homelessness was being decommissioned, or there was a transition in emphasis towards floating support services. Other respondents noted in the Commissioner Survey that there was often also an element of resident opposition to having supported accommodation in their areas, further hindering the expansion of supported housing options.

“It’s very hard to bring new units into supported housing. You almost never, like I’ve been doing this a long time, and you very rarely if at all, have I seen people say we’re going to have a new homeless hostel, we’re going to create extra beds in the pathway. So you tend to have stuff commissioned because they already have it [...] You are governed by what resources, what buildings you have. So it’s a little bit of a steady state.” **[Homelessness case study]**

“We can see the potential for services needing to be in different buildings or different type, and while we’re so reliant upon the buildings that service has been commissioned in for donkey’s years, it makes it very difficult to make change.” **[London local authority case study]**

5 Future demand for supported housing

Introduction

- 5.1 Chapter 3 set out the evidence on the size and composition of the supported housing sector in Britain in terms of characteristics of tenants, the types of provision, and the types of provider. Chapter 3 then explored evidence on the issues that may enable or constrain supply, how this compares with what is known about current demand, and the extent to which this leads to unmet demand in the sector.
- 5.2 This chapter builds on this evidence to consider the scale of supported housing stock needed in the future if current rates of provision are maintained and demographic trends are taken into account.¹¹ An assessment is then made of the additional supply of supported housing that would be needed to meet the existing unmet demand there is in the sector and how this may change in the future given demographic trends. Finally, the estimates are combined to provide an overview of how much supply is required, both now and in the future, to be sufficient to provide for existing levels of provision and deliver enough units to provide for unmet need.
- 5.3 It should be noted that the projections are estimates and not actual forecasts about need. As with any projections, these are based on, and sensitive to, specific assumptions and simulation of trends. The assumptions underpinning the projections relate to the existing supply of supported housing, future demographic trends, and the prevalence of need for care, support or supervision.
- 5.4 The projections do not account for a full range of factors that will affect future need, including the impact of future policy direction or developments in care delivery models. For example, it is anticipated that the additional housing supply provided in England by the Affordable Homes Programme 2021-26 may reduce the demand for supported housing homelessness units. In Scotland, the implementation of a Housing First policy is also likely to impact on demand for transitional supported housing. The projections presented here, therefore, should be treated as an indication of future demand for supported housing in a steady state scenario for the policy landscape, the economy and the housing market and if predicted demographic trends occur.

Approach taken

- 5.5 There are two key components to the approach taken here to generate projections of future demand for supported housing. The first component follows a similar method undertaken by Wittenberg and Hu (2017) in their study for the then Department for Communities and Local Government, and the Department of Health. That study created projections for the demand of supported housing based on the estimates of

¹¹ Based on the ONS population projections.

exiting stock from the 2016 Review of Supported Accommodation. Likewise, the projections take the estimates of supported housing stock developed in this study (Chapter 3) as their starting position.

- 5.6 The first component of the projections creates estimates of the number of supported housing units that will be required to maintain supply at current levels, given additional demand arising from demographic changes. This involves calculating current rates of provision for the main categories of supported housing based on proxies for relevant populations. These proxies estimate the national population with certain characteristics that are common amongst residents living within various categories of supported housing. In essence, this is an estimation of the demand for supported housing based on the number of people who might need support.
- 5.7 The relevant population for each of type of supported housing is calculated as the prevalence of certain 'conditions' or situations' by age bands which are applied to the current population age structure.¹² Rates of provision are then estimated as the current supply of supported housing units for each client type (Table 3.5) divided by each relevant population. Finally, demographic trends based on the Office for National Statistics (ONS) 2020-based population projections by age are used to project demand forward until 2040.¹³
- 5.8 This approach therefore generates projections of future demand for supported housing by client group which:
- maintain the current rate of provision;
 - account for prevalence rates of relevant 'conditions' by age;
 - account for predicted population change until 2040.
- 5.9 The second component of the projections enhances the approach taken by Wittenberg and Hu (2017) to estimate the supply needed to address unmet demand.¹⁴ This incorporates data from this study on unmet need collected via the Commissioner Survey. This enhancement of the first component of the method is important as, of the respondents who were able to provide an assessment of unmet need in their local authority, only 13 per cent stated there was no unmet demand in their area.¹⁵ The remaining 87 per cent indicated there was either 'some' or 'a lot' of unmet demand locally.
- 5.10 This second component of the projections considers the rate of supported housing provision achieved in local authorities with higher levels of provision and then estimates unmet demand based on how much additional supply would be needed across all local authorities if they were to deliver comparable rates of provision. This assumes that local authorities with the highest rates of supported housing provision are those who are likely to have no unmet need. The estimates are provided separately for supported housing for older people and for working age adults. Unmet need is projected forward to 2025, 2030, 2035 and 2040 based on demographic trends and the age specific prevalence rates for relevant 'conditions'. It is not feasible to create robust projections for individual client groups given the greater degree of estimation that would be required at local authority level.

¹² These 'conditions or situations' are detailed in the relevant subsections below containing the projections for each type of supported housing.

¹³ These were the latest available population projections at the time of writing this report.

¹⁴ This will include previous supported housing stock which has been decommissioned and is no longer supported housing but for which the demand remains.

¹⁵ This excludes the commissioners who said they did not know if there was any unmet need in their local area.

Future demand for supported housing

- 5.11 The first component of the projections estimates the additional stock that would be needed if current rates of provision are maintained and demand increases in line with demographic trends. Table 5.1 indicates that an additional 150,500 units of supported housing would be required in Great Britain by 2040 if the ONS projections for demographic trends are realised, an increase of 24 per cent compared to current levels in 2023. This estimate does not take into account additional supply that would be needed to meet current unmet need, which is considered later in this Chapter.
- 5.12 Table 5.1 indicates that the largest increase, both in absolute and percentage terms, is in England: just over 129,000 additional units would be required by 2040, an increase of 24 per cent. In Scotland, a slightly lower 22 per cent increase (12,500 units) in the supply of supported housing would be required if current levels of provision are to be maintained. In Wales, a projected increase of 21 per cent or 8,800 more units would be required.

Table 5.1: Supply of supported housing required by 2040 to maintain current levels of provision, number of units

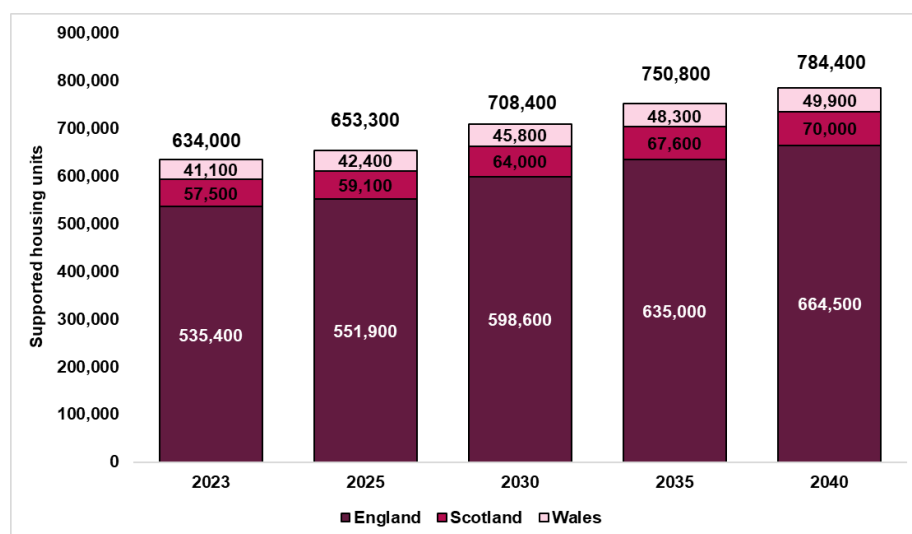
	2023	2040	Change 2023-2040	Percentage Change 2023-2040
England	535,400	664,500	129,100	24
Scotland	57,500	70,000	12,500	22
Wales	41,100	49,900	8,800	21
Great Britain	634,000	784,400	150,500	24

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding

- 5.13 Figure 5.1 shows the trajectory of change in the projected number of units needed for each five year period until 2040. Tables containing the data to accompany the following charts in this chapter are also provided in Appendix A1.3.

Figure 5.1: Supply of supported housing required by 2040 to maintain current levels of provision, 2023-2040



Source: Sheffield Hallam University estimates

Note: Data table provided in Appendix A1.3; Columns may not add to total due to rounding.

Future demand for supported housing for older people

- 5.14 Separate projections for the future demand for supported housing for older people have also been calculated. The underpinning assumptions for these projections include that whilst housing for older people is available to people aged 55 or older, in the main, this type of housing is primarily occupied by people aged 65 or over.
- 5.15 The relevant older people population operationalised in the projections is therefore assumed to be:
- aged 65 years and over;
 - unable to perform at least one domestic care task (instrumental activity of daily living) and/or have difficulty performing at least one personal care task (activity of daily living);
 - living in households, not communal establishments such as care homes and hospitals.¹⁶
- 5.16 The prevalence of older people who are unable to perform at least one domestic care task (instrumental activity of daily living) and/or have difficulty performing at least one personal care task (activity of daily living) is taken from the 2021 Health Survey for England. The prevalence rates have been calculated for the following age groups: 65-69 years; 70-74 years, 75-79 years, and 80 years and over. These prevalence rates have been applied to population projections by age until 2040. The resulting calculations provide a proxy for the relevant population of older people.
- 5.17 This allows the current rate of provision to be calculated as: the estimate of the number of units for older people in 2023 divided by the proxy for the relevant population of older people. This rate of provision is used to estimate the number of units required by 2040 to maintain the current level of supply and account for population projection for older age groups.
- 5.18 Table 5.2 indicates an additional 143,200 supported housing units for older people, an increase of 34 per cent, would be needed between 2023 and 2040 if current rates of provision were to be maintained and keep pace with projected demographic trends. Supported housing for older people makes up the vast majority (95 per cent) of the overall projected increase in demand by 2040 (Table 5.1). This additional supply would increase the number of supported housing units for older people from 423,100 units in 2023 to 566,300 units in 2040.

Table 5.2: Supply of supported housing required by 2040 to maintain current levels of provision for older people, number of units

	2023	2040	Change 2023-2040	Percentage Change 2023-2040
England	349,300	471,000	121,700	35
Scotland	42,800	55,600	12,800	30
Wales	31,000	39,700	8,600	28
Great Britain	423,100	566,300	143,200	34

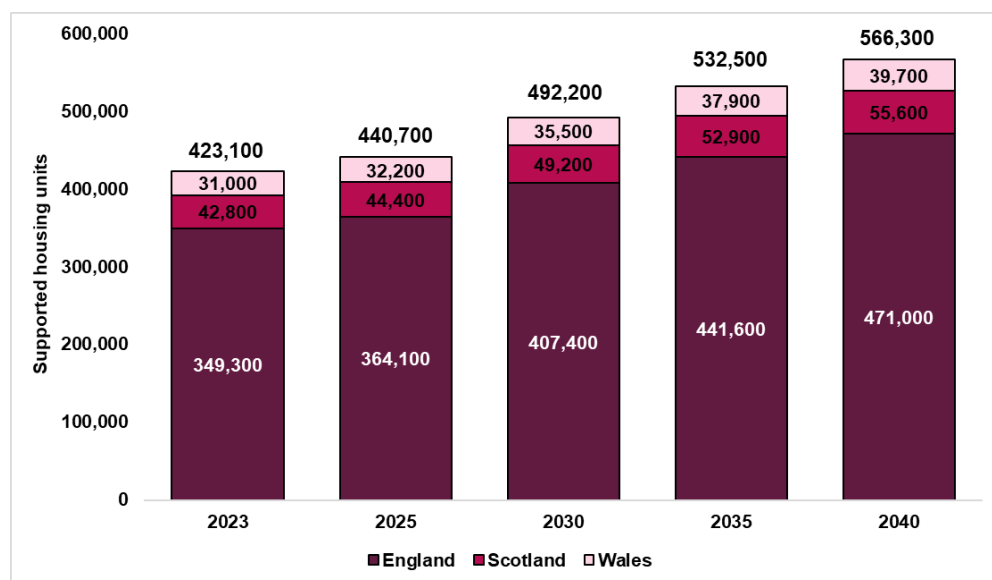
Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding

¹⁶ Based on evidence from the 2021 Census which changed its definition of communal housing so that sheltered accommodation residents are now identified as households.

5.19 Table 5.2 shows that maintaining the current national rates of provision for older people by 2040 would require an increase of: 35 per cent in England (121,700 units); 30 per cent in Scotland (12,800 units); and 28 per cent in Wales (8,600 units). The distribution of new stock required for this service type over time (Figure 5.2) is in line with the overall stock distribution presented in Chapter 3. Of the additional supply needed: 85 per cent would be in England, 9 per cent in Scotland, and 6 per cent in Wales.

Figure 5.2: Supply of supported housing required by 2040 to maintain current levels of provision for older people, 2023-2040



Source: Sheffield Hallam University estimates

Note: Data table provided in Appendix A1.3; Columns may not add to total due to rounding.

Future demand for supported housing for working age adults

5.20 Separate projections of the future demand for supported housing have been estimated for working age adults in the following five main client groups: single people experiencing homelessness, families experiencing homelessness, people with a learning disability and autistic people, people with mental health problems, and all others with specific primary needs.¹⁷ As with the earlier projections, these estimates rely on ONS population projections for the working age population to consider how demand might change in the future given demographic trends, the size of the relevant population, and prevalence rates. Scotland is the only nation to predict a fall in the size of their working age population by 2040. This means that, if all other factors remain in a steady state, then potential demand for working age supported housing is also projected to fall slightly by 2040.

Future demand for supported housing for homelessness

5.21 National level data on the number of people assessed as having a homelessness relief duty has been used as a proxy for the relevant population. Homelessness statistics allows this to be done separately for working age applicants, and by household type, to create proxies for single people and families who are experiencing homelessness

¹⁷ 'Others' includes provision for individual client groups which currently each have less than 10,000 units. These include provision for young people leaving care, people at risk of domestic abuse, people with drug and alcohol problems, prison leavers, veterans, refugees and asylum seekers, people with a physical disability or sensory impairment, and others (which often includes people with complex needs which straddle several primary needs categories).

or are at risk of homelessness. As set out earlier, estimating the relevant population allows the current rate of provision for each client group to be calculated. Combining with ONS population projections by age allows projections of future demand to be created based on maintaining the current level of supply.

5.22 Table 5.3 indicates that an additional 2,000 units for single people who are homeless would be needed by 2040 if current rates of provision are to be maintained. This would increase supply from 58,200 units in 2023 to 60,200 units in 2040 (Figure 5.3).

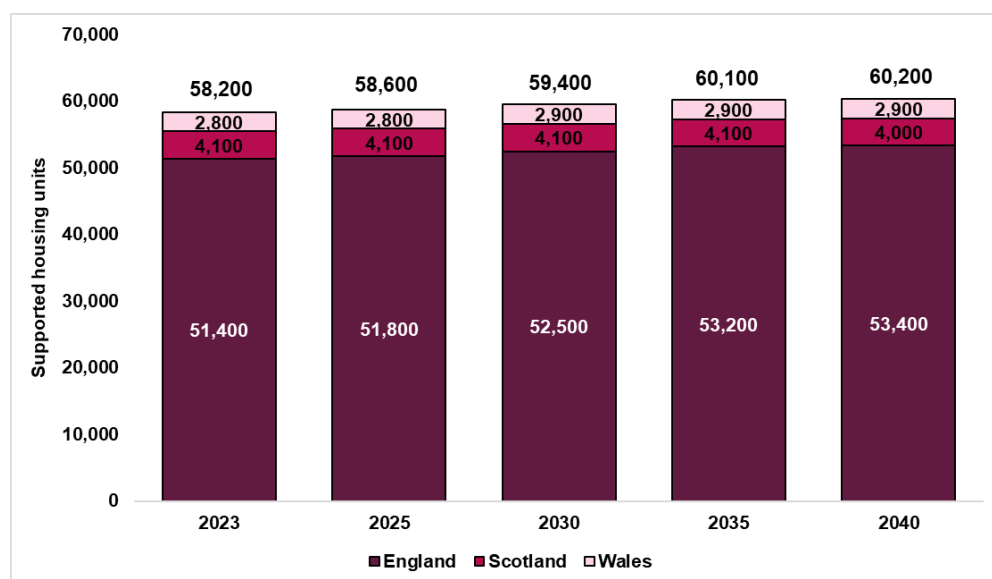
Table 5.3: Supply of supported housing required by 2040 to maintain current levels of provision for homeless single people, number of units

	2023	2040	Change 2023-2040	Percentage Change 2023-2040
England	51,400	53,400	2,000	4
Scotland	4,100	4,000	-100	-2
Wales	2,800	2,900	100	3
Great Britain	58,200	60,200	2,000	3

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding.

Figure 5.3: Supply of supported housing required by 2040 to maintain current levels of provision for homeless single people, 2023-2040



Source: Sheffield Hallam University estimates

Note: Data table provided in Appendix A1.3; Columns may not add to total due to rounding.

5.23 Table 5.4 indicates a further 1,000 units for families who are homeless would be needed by 2040 increasing provision from 28,200 units in 2023 to 29,200 units in 2040. Virtually all the additional supply is required in England and the projected demand based on demographic trends in Scotland and Wales is static over this period (Figure 5.4).

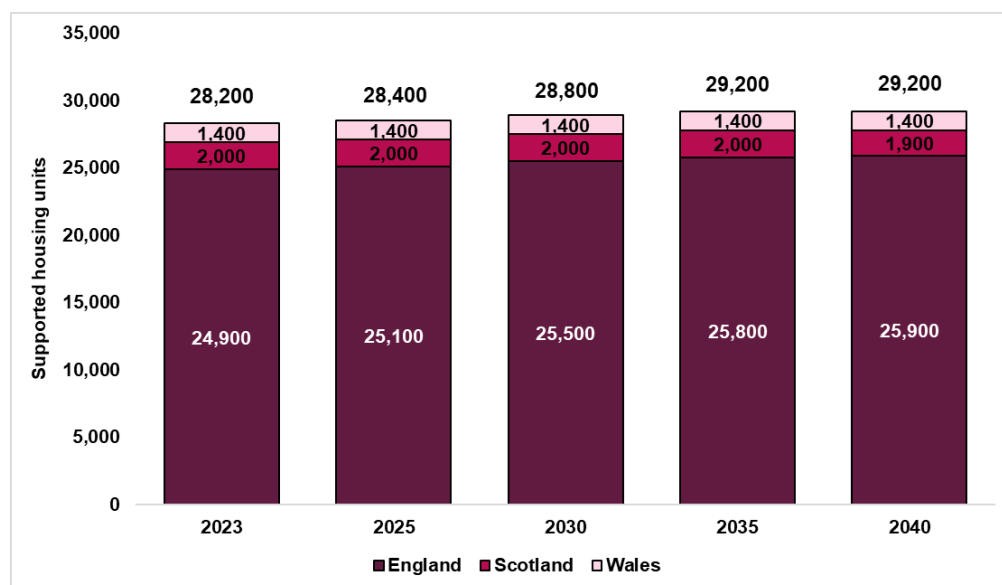
Table 5.4: Supply of supported housing required by 2040 to maintain current levels of provision for homeless families, number of units

	2023	2040	Change 2023-2040	Percentage Change 2023-2040
England	24,900	25,900	1,000	4
Scotland	2,000	1,900	<100	-2
Wales	1,400	1,400	<100	3
Great Britain	28,200	29,200	1,000	3

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding.

Figure 5.4: Supply of supported housing required by 2040 to maintain current levels of provision for homeless families, 2023-2040



Source: Sheffield Hallam University estimates

Note: Data table provided in Appendix A1.3; Columns may not add to total due to rounding.

Future demand for supported housing for people with a learning disability and autistic people

5.24 The Centre for Disability Research (CeDR) at Lancaster University (Emerson 2008) produced estimates for England of the population with learning disabilities and to what extent this is likely to change in the future. These estimates have been used to create age-related prevalence rates assuming a linear trend over time to account for the increased life expectancy of people with learning disabilities. The proxy for the relevant population is based on people with critical or substantial levels of need and 50 per cent of those with moderate needs. The same prevalence rates are used to generate projections for Scotland and Wales. These prevalence rates are applied to ONS population projections until 2040 to approximate the potential growth in the relevant population over time.

5.25 Based on these assumptions, Table 5.5 indicates that an additional 2,600 units would be required in Great Britain by 2040 if the current level of supply of supported housing for people with a learning disability and autistic people is to be maintained.

Table 5.5: Supply of supported housing required by 2040 to maintain current levels of provision for people with a learning disability and autistic people, number of units

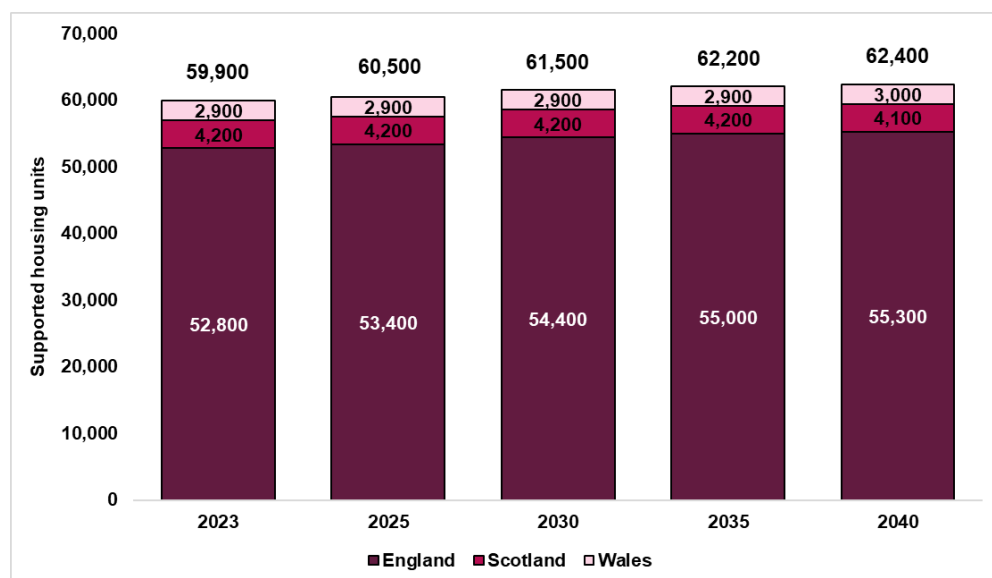
	2023	2040	Change 2023-2040	Percentage Change 2023-2040
England	52,800	55,300	2,500	5
Scotland	4,200	4,100	<100	-1
Wales	2,900	3,000	100	3
Great Britain	59,900	62,400	2,600	4

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding.

5.26 Figure 5.5 indicates that this increase in supply over time would result in the number of supported housing units for people with a learning disability and autistic people rising from 59,900 units in 2023, to 62,400 units in 2040. Given demographic population trends in Scotland and Wales, the need projections for the supply of supported housing for these groups are similar in terms of absolute numbers.

Figure 5.5: Supply of supported housing required by 2040 to maintain current levels of provision for people with a learning disability and autistic people, 2023-2040



Source: Sheffield Hallam University estimates

Note: Data table provided in Appendix A1.3; Columns may not add to total due to rounding.

Future demand for supported housing for people with mental health problems

5.27 Evidence from the Adult Psychiatric Morbidity Survey 2014 (APMS) has been used to establish a proxy for the relevant population of people with mental health problems living in supported housing.¹⁸ This proxy is used alongside the estimated number of supported housing units for this client group to calculate the current rate of provision. Table 5.6 indicates approximately 500 additional units would be required by 2040 if current rates of provision are to be maintained. As with the other projections for working age client groups, the additional supply needed is in England and the projections for Scotland and Wales are static (Figure 5.6).

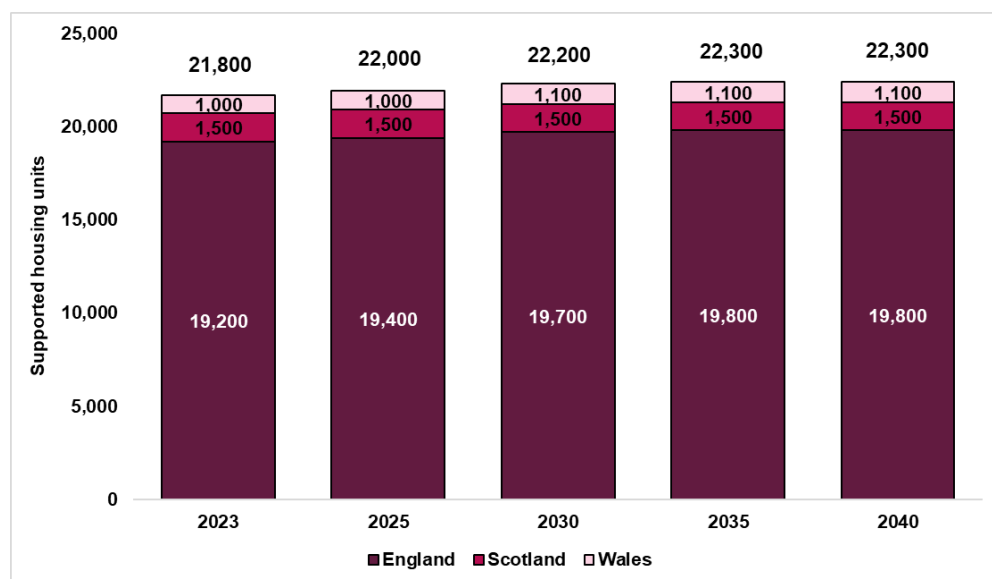
¹⁸ Age-related prevalence rates of severe overall neurotic symptoms created from CIS-R scores which are derived from a structured interview tool for examining the presence of symptoms of common mental disorders (CMD) in the past week.

Table 5.6: Supply of supported housing required by 2040 to maintain current levels of provision for people with mental health problems, number of units

	2023	2040	Change 2023- 2040	Percentage Change 2023-2040
England	19,200	19,800	500	3
Scotland	1,500	1,500	<100	-2
Wales	1,000	1,100	<100	1
Great Britain	21,800	22,300	500	2

Source: Sheffield Hallam University estimates
 Note: Columns may not add to total due to rounding.

Figure 5.6: Supply of supported housing required by 2040 to maintain current levels of provision for people with mental health problems, 2023-2040



Source: Sheffield Hallam University estimates
 Note: Data table provided in Appendix A1.3; Columns may not add to total due to rounding.

5.28 It needs to be borne in mind that there has been an increase in demand for mental health services in recent times, and that the most notable increases in demand have been amongst 17 to 19 year olds (BMA, 2023). However, the latest Adult Psychiatric Morbidity Survey data for 2014 which underpins these projections is now quite dated and the new Adult Psychiatric Morbidity Survey data is due to be released later in 2024. This will provide an updated position on whether the prevalence rates have increased since 2014 (House of Commons Library, 2023b). If an increase in prevalence rates is observed, then this would feed through to additional demand for supported housing in the longer term for people with severe mental health problems.

Future demand for supported housing for working age adults with other primary needs

5.29 The remaining categories of working age client groups are combined to create an overarching ‘other’ category. The same approach outlined above has been applied to generate projections for future demand of this provision. Table 5.7 indicates that approximately 1,300 more units of supported housing for working age people with other primary needs would be required by 2040 if the current rate of provision is to be

maintained - an increase of 3 per cent.¹⁹ Figure 5.7 presents the projections for each five-year period until 2040.

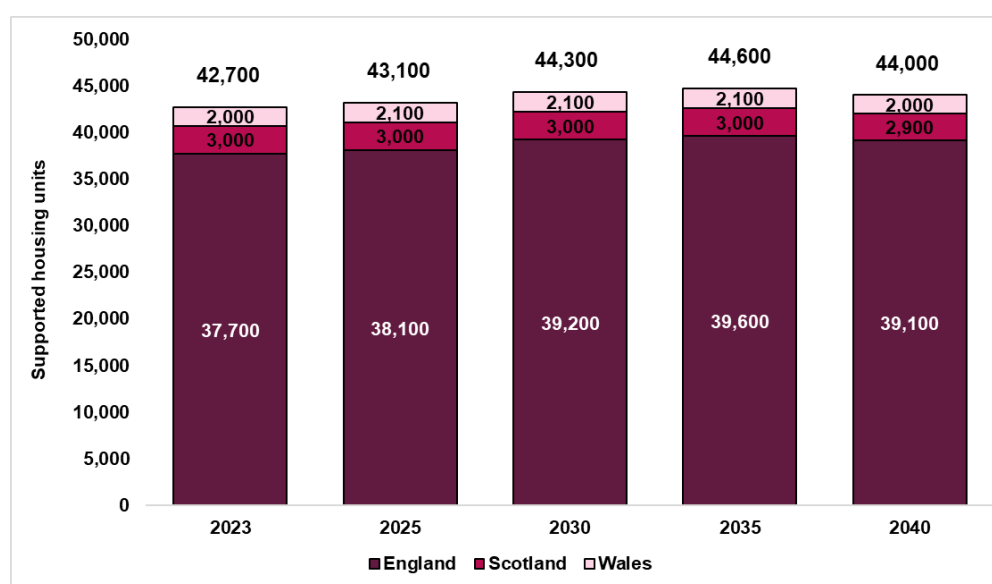
Table 5.7: Supply of supported housing required by 2040 to maintain current levels of provision for 'other' working age client groups, number of units

	2023	2040	Change 2023-2040	Percentage Change 2023-2040
England	37,700	39,100	1,400	4
Scotland	3,000	2,900	-100	-4
Wales	2,000	2,000	0	0
Great Britain	42,700	44,000	1,300	3

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding.

Figure 5.7: Supply of supported housing required by 2040 to maintain current levels of provision for 'other' working age client groups, 2023-2040



Source: Sheffield Hallam University estimates

Note: Data table provided in Appendix A1.3; Columns may not add to total due to rounding.

Additional supply required to address unmet need

5.30 The first component of the projections presented above consider the demand for supported housing for various client groups over time if predicted demographic trends are realised and current levels of provision are maintained. However, it has been widely acknowledged by local authorities, County Councils and providers across this research study that a level of unmet need exists for which there is insufficient provision. For example, in the Commissioner Survey (see details of survey in Appendix A1.1), of the respondents who were able to provide an assessment of unmet need in their area, over 50 per cent stated that they had 'lots' of unmet need in their local authority or County Council area. Fewer than 15 per cent of commissioners said there was no unmet need locally.

¹⁹ For example, young people leaving care, people with a physical disability or sensory impairment, people at risk of domestic abuse, prison leavers, veterans, refugees and asylum seekers.

- 5.31 This means that even if current rates of provision are maintained in line with increasing demographic pressures, this would still not be adequate to meet future levels of demand. This second component of the projections, therefore, considers how much additional supply of supported housing would be needed if the current level of unmet need was also to be addressed. The additional unmet demand is also projected forward to 2040, given current demographic trends. Estimates are calculated for two categories of supported housing - older people and working age adults. Projections have not been created for individual client groups given the reliability of such estimates for smaller groups.
- 5.32 As with all estimates and projections, this is not an exact science. Therefore, the figures generated as to scale of additional supply that may be required are not exact, but instead aim to provide an indication of the orders of magnitude and trends through time of additional stock that would be needed if unmet demand is to be addressed.
- 5.33 The estimates generated are, therefore, given for a range of scenarios based on areas achieving higher and lower rates of provision. These are derived from local authority estimates of stock as part of the exercise undertaken for Chapter 3. The upper estimate is based on the rate of provision achieved in the top 15th percentile of all local authorities. The lower estimate assumes that all local authorities realise the 15th percentile rate of provision for supported housing for working age adults and the 30th percentile for older people. These levels have been chosen to reflect responses to the Commissioner Survey on unmet need and the reliability of estimates by age groups. The upper estimate uses an approximation of the proportion with no unmet need when asked, across all forms of supported housing. The lower estimate uses an approximation of the proportion with no unmet need when asked, across all forms of supported housing for working age provision, and the proportion with no unmet need when asked specifically about supported housing for older persons for older person provision. Projections of the estimated unmet need are then made for 2025, 2030, 2035 and 2040 based on demographic changes and the age-related prevalence rates for relevant conditions.
- 5.34 This approach generates an estimated current shortfall in supply of between 179,600 and 388,100 units of supported housing in Great Britain (Table 5.8). When considered by age, there is unmet need of between 88,600 and 297,000 units of supported housing for older people and 91,100 units for working age adults.

Table 5.8: Estimates of current unmet need for supported housing: additional supported housing units required, 2023

	Older person lower estimate	Older person upper estimate	Working age adults estimate	Total lower estimate	Total upper estimate
England	73,100	245,200	80,300	153,400	325,500
Scotland	8,900	30,000	6,400	15,300	36,400
Wales	6,500	21,800	4,400	10,900	26,200
Great Britain	88,600	297,000	91,100	179,600	388,100

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding.

- 5.35 England has the largest level of unmet need with between 153,400 and 325,500 additional units required to meet current levels of need. In Scotland, there is unmet need of between 15,300 and 36,400 units of supported housing. In Wales, between 10,900 and 26,200 additional units of supported housing would be required if provision was to match the levels achieved by local authorities in the highest 15th percentile of provision in Great Britain.
- 5.36 Table 5.9 rolls forward the data from Table 5.8 to provide projections from 2025 of how much unmet need will increase over time if it reflects demographic trends. Full details of the data for each intervening five year period is available in Appendix A1.3. If current rates of provision are delivered to meet this unmet demand, then by 2040 between 211,200 to 490,200 additional units of supported housing would be required to address projected levels of unmet demand.

Table 5.9: Projections of additional supply of supported housing required to address unmet need: number of units required 2025-2040

	2025 lower estimate	2025 upper estimate	2040 lower estimate	2040 upper estimate
England	157,100	336,500	180,700	412,800
Scotland	15,700	37,600	17,800	45,200
Wales	11,100	27,000	12,700	32,200
Great Britain	184,000	401,100	211,200	490,200

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

- 5.37 If unmet need is to be addressed, then even at the lower band of these estimates, substantial additional supply of supported housing would be needed by 2040. The mid-point of range is equivalent to 290,000 in 2025 rising to 350,000 additional units by 2040. Table 5.10 illustrates the growth required to meet unmet need over time from the current position in 2023 to 2040. This indicates that unmet demand is projected to grow by 31,600 to 102,100 units in addition to levels already in existence in 2023 in Table 5.8. In percentage terms (Table 5.11), this is equivalent to an 18 to 26 per cent increase in the number of additional units required to be sufficient to meet unmet need.

Table 5.10: Projections of additional supply of supported housing needed to address unmet need by age group: number of units required, 2023-2040

	Older person lower estimate	Older person upper estimate	Working age adults estimate	Total lower estimate	Total upper estimate
England	25,500	85,400	1,800	27,300	87,300
Scotland	2,700	9,000	-300	2,400	8,700
Wales	1,800	6,000	0	1,800	6,100
Great Britain	30,000	100,500	1,600	31,600	102,100

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding.

Table 5.11: Projections of additional supply of supported housing needed to address unmet need by age group, percentage change, 2023-2040

	Percentage change 2023 to 2040				
	Older person		Working age adult	Total	
	Lower	Upper		Lower	Upper
England	35	35	2	18	27
Scotland	30	30	-4	16	24
Wales	28	28	1	17	23
Great Britain	34	34	2	18	26

Source: Sheffield Hallam University estimates

Note: Columns and rows may not add to total due to rounding.

Maintaining current provision and addressing unmet need

5.38 This final section brings together the components of the analysis to provide projections of the estimated overall demand for supported housing by 2040. The analysis combines not only projections for the additional supply of supported housing required to maintain existing levels of provision and keep pace with demographic changes, but also incorporates the additional supply needed to meet unmet demand. Detailed tables of the projections by nation, age group and five-year intervals until 2040 are provided in Appendix A1.3.

5.39 As a starting point, the projections build on the estimates of the stock provided earlier in Chapter 3 which indicate that in Great Britain in 2023 there are approximately:

- 643,000 supported housing units;
- 210,900 of these units are for working age people;
- 423,100 of these units are for older people.

5.40 In addition, if current levels of unmet demand are to be addressed then substantial additional supply is needed. In Great Britain in 2023, it is estimated that the scale of additional supported housing currently needed is:

- between 179,600 and 388,100 additional supported housing units;
- approximately 91,100 of these units are needed for working age people;
- between 88,600 and 297,000 of these units are needed for older people.

5.41 Substantial additional supply of supported housing would be needed by 2040 if all these various factors are taken into account, including unmet need, prevalence rates of various conditions, demographic trends, and maintaining current rates of provision. The projections indicate that significant levels of additional supply by 2040 would be needed in Great Britain if supply is to keep up with demand:

- between 361,700 and 640,700 additional supported housing units would be required;
- approximately 100,000 of these units would be for working age people;
- between 261,700 and 540,700 of these units would be for older people.

5.42 If these estimates of the additional supply needed to meet unmet demand and maintain current rates of provision are considered for individual nations within Great Britain, then by 2040:

- In England, between 309,900 to 541,900 additional supported housing would be needed, of which between 220,300 to 452,400 units would be housing for older people and 89,500 units would be for working age people;
 - In Scotland, between 30,300 to 57,700 additional supported housing would be needed, of which between 24,500 to 51,800 units would be housing for older people and 5,900 units would be for working age people;
 - In Wales, between 21,500 to 41,100 units of supported housing would be needed, of which between 16,900 to 36,400 units would be housing for older people and 4,600 units would be for working age people.
- 5.43 Combining the estimates of existing stock, additional supply needed to meet unmet demand, maintaining existing rates of provision, and accounting for future demographic trends generates a set of projections of the overall demand for supported housing by 2040. These indicate that by 2040, the supply of supported housing in Great Britain would need to increase to:
- between 995,600 and 1.275 million supported housing units;
 - approximately 310,800 of these units would be required for working age adult categories;
 - between 684,800 to 963,800 of these units would be required for older people.
- 5.44 If these combined estimates of existing stock, additional supply needed to meet unmet demand, and maintain existing rates of provision are considered for individual nations within Great Britain, then by 2040:
- In England, between 845,200 to 1.077 million units of supported housing would be needed, of which between 569,600 to 801,700 units would be housing for older people and 275,600 units would be for working age people;
 - In Scotland, between 87,800 to 115,200 units of supported housing would be needed, of which between 67,200 to 94,600 units would be housing for older people and 20,600 units would be for working age people;
 - In Wales, between 62,600 to 82,200 units of supported housing would be needed, of which between 48,000 to 67,500 units would be housing for older people and 14,700 units would be for working age people.

Summary

- 5.45 This chapter provides projections for the future demand of supported housing in Great Britain to 2040. The current estimates of the supply of supported housing are taken as the base position in 2023 from which to estimate future demand. The assumptions and simulation of trends underpinning the projections take into account factors which affect the demand for care, support or supervision provided by supported housing which enables people to live independently in the community. Estimates are made of the number of supported housing units required to maintain the current level of supply, given predicted demographic trends, and to address current unmet need.
- 5.46 The projections suggest between 995,600 and 1.275 million units of supported housing will be needed by 2040 in Great Britain. Of these, approximately 684,800 to 963,800 units will be needed for older people and 310,800 will be required for working age adult client groups.
- 5.47 This would require between 361,700 and 640,700 additional units of supported housing across Great Britain by 2040. The majority of these units would be required to meet demand that is currently unmet, rather than increases in demand resulting

from demographic changes. Most of these additional units are needed for older persons: between 261,700 to 540,700 units. These projections suggest an additional 100,000 units of supported housing for working age adults would be needed by 2040.

6 Funding for care, support or supervision

Introduction

- 6.1 Earlier chapters highlighted that there are two key components of supported housing that require funding. The first of these is the cost of providing care, support or supervision, which is provided alongside the accommodation to help tenants to live as independently as possible in the community. The second is the cost of the accommodation itself. These two elements of costs are funded entirely separately as is detailed in Chapter 2. This chapter sets out the evidence collected through this study on the costs and funding for the provision of support services. The following chapter then details the funding provided through the Housing Benefit system for the cost of the accommodation provided.
- 6.2 Some housing support services are directly commissioned and funded by local authorities or County Councils. Commissioning practices vary significantly by place depending on local funding priorities (Chapter 9). This chapter explores the views of local authority and County Council commissioners, and a range of supported housing providers, in relation to the costs of, and funding available for, commissioning care, support or supervision. The challenge of meeting the rising costs of provision alongside, in some areas, diminishing funds for commissioned services available, are discussed. Data from the Commissioner Survey and Provider Survey provide insights on the average level of funding provided for commissioned services by client group. These data are combined with stock estimates to consider the scale of funding provided by local authorities if the observed patterns are replicated across Great Britain.

Funding challenges

- 6.3 The vast majority of commissioners and providers taking part in the in-depth interviews and case studies stated that the funding landscape for commissioned services is increasingly difficult. There is significant variation across Great Britain in the supply of supported housing available (Chapter 4), unmet demand (Chapter 5), approaches to procurement (Chapter 8), and commissioning practices (Chapter 9). This Chapter focuses on common concerns raised by respondents which centre on the increasing costs of delivery, including due to increasing complexity of need, and funding available for commissioning supported housing services.

Rising costs

- 6.4 Providers consistently commented on the rising costs of service delivery in recent years. Many respondents particularly associated additional costs with the recent sustained period of high inflation. They commonly voiced concerns around increased costs for energy, insurance, equipment and staffing. Some described rapidly increasing costs alongside static or reductions in funding available for commissioned

services as a 'perfect storm'. For many, the lack of inflationary uplifts in many commissioning contracts, and particularly longer-term contracts, is a serious concern given these rising costs.²⁰ Several providers in Wales commented that the Housing Support Grant had only received one inflationary uplift in 13 years. Inflationary uplifts were raised as an issue across provider types, but particularly amongst smaller, charitable or voluntary sector providers. Many respondents noted this is leading to increased shortfalls in funding or their ability to adequately cover rising costs. This is causing a 'financial strain' on many providers.

"Our insurance costs went up by 20 per cent this year and we've been negotiating with the provider of our software system for care and support and they're applying a 15 per cent uplift this year, so that only goes one way." **[Scotland case study]**

"We buy all our energy in advance, gas and electric, and our bill, we'd come to the end of our fixed term. Our bill for this year went up for care and support by [several] million." **[National provider case study]**

- 6.5 Both commissioners and providers commented that local authority budget constraints mean that some providers are no longer tendering for some service provision as it is seen as financially unviable. Respondents consistently commented that the inability for funding to keep up with rising costs impacts on their ability to maintain service provision. It was stated that contract envelopes are often too small to deliver quality or viable services and that this is minimising quality of provision. Concerns were often raised specifically in relation to staff to client ratios.

"So, just general financial squeeze and I suppose if you look back several years there was a lot more scope for support, as opposed to just bare essential, survival support. So, there isn't much capacity amongst our paid for hours to do things to support people beyond what's really essential." **[Learning disability and autism case study]**

- 6.6 In some areas, respondents stated that the combination of rising costs and limited funding for commissioned services is leading to a reduction in the overall supply as well as quality of provision. Concerns were raised that any further reductions in funding would mean existing providers would no longer be able to offer the services they do now and that this is occurring at a time of increasing referrals and complexity of need. Some providers felt that some local authorities do not fully understand the increased financial risks faced by providers or the costs of providing adequate provision. There were particular concerns raised about homelessness services or those for young people that require 24 hour staffing. Others suggested that local authorities should be asking for less, not more, given the level of funding available and the higher level of needs amongst clients. A common concern raised was that the funding landscape is contributing to a race to the bottom.

"Local authorities are saying can you do a gold star service for a bronze star amount of money and actually, we and other organisations are saying no we can't do it anymore." **[Homelessness case study]**

"[...] through commissioning it was asked for us to provide a better service over night time – the thinking is that more young people go into crisis at nighttime – but your funding doesn't change, you're just asked to do more for the same money." **[Scotland case study]**

²⁰ An inflationary uplift will increase the value of a contract on an annual basis in line with inflation or an agreed amount, for example, to cover increases in staff pay rises over time.

“We have examples of contracts that have not received an uplift in seven years. As such the services operate at a loss which is no longer sustainable. Any funding needs to receive an adequate annual uplift so providers can deliver sustainable services.” **[Wales case study]**

- 6.7 A number of charitable providers stated they are experiencing increased financial pressures due to funding not keeping pace with rising costs. For many, they had needed to increase their fund-raising activities and charitable income to offset rising costs. Some stated this had provided a ‘lifeline’ to continue to deliver services that would not be possible if they were completely reliant on local authority funding or income from Housing Benefit. However, many charitable providers commented that maintaining or increasing charitable income has been a challenge during the pandemic and the ‘cost-of-living crisis’. For charitable providers of non-commissioned services who are entirely reliant on charitable income, for example many of the providers for veterans, this had meant that trying to cover rising costs was very difficult.

“[we’ve secured additional charitable] funding on top of our normal funding. That allows us to expand and to be in a healthy state. So, as a charity we are in a healthy state, if we went back to just being based on our Housing Benefit and commissioned services we would be in trouble.” **[Provider case study]**

“So, fundraising as a source of monies has become very difficult.” **[Veterans case study]**

Workforce costs

- 6.8 The inability of funding for commissioned services to cover rising staffing costs is a key concern for many providers across Great Britain. There were examples in the Welsh case study where some respondents said they were able to cover their staffing costs from the Housing Support Grant, although this was not the case for all the providers spoken to in Wales. Across the vast majority of case studies, providers stated ‘stagnant’ funding streams with no inflationary uplifts had impacted on their ability to attract or retain their workforce. The inability of local authority funding to cover rising staffing costs was seen by many respondents as a serious risk to the long-term sustainability or financial viability of their supported housing schemes.

“I think the biggest challenge in hostel accommodation is what’s commissioned by the local authority in the support contract [...] the prices were fixed in those commissioning strategies before we had this kind of massive inflation and push on salaries and the bottom fell out of the salary market.” **[Local authority case study]**

- 6.9 Common responses to the lack of adequate local authority funding included reducing support staff to a bare minimum, reducing salaries, using volunteers and charitable funding for certain activities. However, many noted there are limits to how much they can rely on such measures, making it very challenging to maintain quality services with limited resources.
- 6.10 Many providers stressed the seriousness of the issue given staffing costs make up a significant element of the overall costs for commissioned services. Rising staffing costs due to wider national policy measures, such as increases in the National Minimum Wage and the introduction of the Living Wage in some areas, were also repeatedly mentioned by providers as posing a significant challenge to the sector. Although, respondents consistently commented that these increases in wages are needed to reflect the skills and intensity work required for many of the support roles.

“The Scottish Living Wage went up from £10.50 to £10.90 that’s a 3.8 per cent increase which was then applied to 86 per cent of our costs.” **[Scotland case study]**

“So, on the one hand you sign a contract saying you’ll pay London Living Wage, and say it’s a three-year contract, you average out what your expected costs of that would be over three years but obviously when you get a cost of living crisis and everything shoots up you don’t have your costs.” **[Homelessness case study]**

- 6.11 Retention of staff was seen as a sector wide issue, felt to be due to discrepancies in the level of pay available and the demands of the job and expertise required. Furthermore, although respondents mentioned the need to retain staff and maintain specialist knowledge within the workforce, many felt funding mechanisms and pay levels made this difficult. Providers were unable to invest in training for staff as this cost is not compensated for within already very tight budgets. Lack of available workforce, associated with demanding roles and low pay, also led to increases in costs due to the need for agency staff to fill vacancies.

“[...] We spent £2 million more than we budgeted for on workforce because of agency costs last year, we just could not get staff, staff are leaving in droves, [...] so there’s a combination of factors that really put pressure on the business model and we’re pretty good at what we do, but it’s very difficult.” **[NHS/ Mental Health case study]**.

“Inflationary uplifts have been disregarded, meaning recruitment and retention of staff is a business-critical risk.” **[Wales case study]**

Costs due to complexity of need

- 6.12 Many respondents highlighted that the complexity of client needs is increasing over time. This requires more funding to deliver intensive or multi-dimensional support services. Many homelessness providers stated that the current price ceilings on many of the commissioned contracts they hold is making it particularly difficult to deliver services for clients with complex needs. Respondents with homelessness and hostel provision stated that many of their clients with complex needs require clinical support, which they also perceive as being under-funded. They stated that hostels are increasingly plugging the gap for overwhelmed statutory services, particularly in the case of mental health provision.

“[...] the level of and complexity of need in some of the hostels requires a level of clinical input that isn't funded I suppose, and really needs to be. There's a sort of an assumption that the role of the hostel is to refer people out into statutory services, but they're not working, they're overloaded and mental health in particular just don't show up even to the most profound of mental health crises to the point where it's getting dangerous.” **[Homelessness case study]**

- 6.13 The increasing complexity of needs amongst residents in older people’s supported housing was also highlighted as a growing funding issue as the level of support required is not being funded. Providers of extra care schemes suggested that some local authorities are instead comparing or benchmarking supported housing services against that provided via home carers in the community. They felt this did not reflect the quality of support services delivered by specialist housing providers, including having highly trained staff with experience of working in challenging environments. Specialist provision enables residents to live as independently as possible and remain in their accommodation right up to, and including, the receipt of palliative care rather than needing to enter a hospital or residential care home.

“If commissioners want services to meet complex needs, staff need to be paid the right amount of money to deliver the right support and staff need to be increased to mean the service is suitable. Cost should not supersede quality, especially with service users who are a risk to themselves and others.” **[Wales case study]**

Re-profiling of costs

- 6.14 Many providers noted that reductions to, or lack of increases in, the amount of funding they received via commissioned services meant that they are heavily relying on intensive housing management costs to survive. Many commented that this is increasing their reliance on Housing Benefit to substitute income previously received through commissioning contracts. Many talked about the need to maximise income from Housing Benefit in relation to intensive housing management tasks as a way of offsetting reductions in funding previously received from local authorities for commissioned support services. Many readily acknowledged that this does not provide a like for like swap in terms of staffing roles and that trained support staff would be preferable. However, others stated that maintaining staffing levels, in whatever capacity, is essential if the health and security of residents and staff in many services is to be ensured.

“We’ve got to be a bit more resilient, we’ve got to stretch that pound even further sometimes, maximising our occupancy, making sure we’re minimising voids, bad debts. It means that our staff need to work more creatively with service users, encourage them to pay their service charges, make sure we’re maximising our Housing Benefit income so rents are being paid so we’re not losing rental income.” **[Homelessness case study]**

- 6.15 Examples were frequently given of additional security staff being employed in hostels using eligible service charges under Housing Benefit rules to substitute for support staff that may have previously been funded via commissioned services. However, several respondents voiced concerns that if the eligibility for service charges under Specified Accommodation and Exempt Accommodation in Housing Benefit regulations are tightened further then this would mean the viability of many homelessness services would be in doubt.

“[...] if there are any further restrictions on that, particularly from a homeless point of view, it would be fairly catastrophic. [...] If we didn’t have that support what would be the wider consequences? It does provide an incredibly important safety net that allows the capacity of the system to be greater than it would be without it.” **[Homelessness case study]**

Funding provided

- 6.16 The evidence collected in the in-depth interviews and case studies demonstrates that for many commissioners the impact of local authority budgetary pressures constrains their ability to commission sufficient services to meet existing demand, as well as unmet and increasing demand. This is particularly an issue amongst local authorities in England and is seen across all service types. In general, respondents state that the costs of support services are rising, especially in relation to homelessness, young people or transitional provision for people in crisis that are being discharged in the private rented sector. Costs are also rising due to increasing complexity of needs amongst clients. This is especially the case for the provision of bespoke services for those with disabilities or severe mental health needs. Limited funding availability also means that services are often only commissioned for those with the highest level of need, or when there is an obligation to fund provision due to a statutory duty. All these

factors can contribute to higher costs per commissioned unit. Overall funding can therefore increase, whilst the number of commissioned services falls and unmet demand increases.

- 6.17 There is evidence that care, support or supervision is increasingly being replaced by intensive housing management tasks which are funded by the Housing Benefit system rather than from funding for commissioned services. However, it needs to be remembered that these tasks are not providing an equivalent level of specialist support to the individual, but instead focus on delivering the accommodation element of supported housing schemes. Housing Benefit may therefore be providing funding for alternative forms of support related to accommodation which are substituted to replace some of the more routine elements of support services previously funded by local authorities. However, the level of this provision is unlikely to be sufficient to replace higher levels of support required (especially for those with higher or complex needs). Evidence of funding of some degree for support at a level of provision which is 'more than minimal' (as generated by case law) also needs to be provided if access to Housing Benefit under Specified Accommodation rules is required.
- 6.18 Non-commissioned services, which are not directly funded by local authorities or other statutory bodies, have increased but this varies notably by place. Again, some element of support still needs to be provided as part of non-commissioned services if the accommodation is to be eligible for Housing Benefit under Specified Accommodation rules. This provision may rely on charitable income, self-funding by the individual receiving the support, or from a provider's other income generating activities. It is very difficult to systematically assess how much funding is provided for support services within non-commissioned services. It is also very difficult to assess the scale of additional funding provided for support services by charitable providers. Instead, this study attempts to estimate the scale of funding provided by local authorities and other statutory providers for supported housing services.

Average funding per unit

- 6.19 The Commissioner Survey asked local authorities and County Councils to indicate the average amount of funding provided for the support services they commission. They were asked to include any additional funding provided by other statutory bodies for co-commissioning of support services. The respondents provided data on the average funding per unit per week for each client group. Not all commissioners taking part in the survey were able to provide data on how many units (or people) are supported by the services they commission or what the average cost per unit (or per person) is. It should also be noted that a considerable range of costs were reported across the individual local authorities for some of the client groups. This is likely to reflect the wide variation in local commissioning practices across different places.
- 6.20 The availability and variability of the data provided in the Commissioner Survey indicates that funding patterns observed are not necessarily going to be replicated systematically across all areas. However, triangulating across the data sources allows a range of funding estimates to be derived. Table 6.1 presents the lower quartile and median of commissioners' responses on the average funding per unit they provide for each client group.²¹ This funding is in addition to that provided by the Housing Benefit system to cover the costs of the accommodation itself.

²¹ Lower quartile: only a quarter of commissioners were providing funding below this level, three quarters provided more than this level of funding per unit. Median: a half of commissioners were providing funding at or above this level.

Table 6.1: Average funding from local authorities per commissioned unit 2023, by client group

	£ per unit per week (Lower quartile)	£ per unit per year (Lower quartile)	£ per unit per week (Median)	£ per unit per year (Median)
<i>Short-term/transitional accommodation</i>				
Homelessness (single people)	£100	£5,280	£165	£8,630
Homelessness (families)	£115	£5,950	£135	£6,920
Young people	£175	£9,070	£250	£12,900
Domestic abuse	£175	£9,050	£240	£12,380
Drug or alcohol problems	£90	£4,600	£120	£6,240
Prison leavers	£100	£5,070	£125	£6,500
Other*	£100	£5,110	£195	£10,140
<i>Long-term accommodation for disabled people</i>				
Mental health problems	£195	£10,220	£410	£21,216
Learning disability and autistic people	£350	£18,200	£920	£47,788
Physical disability or sensory impairment	£220	£11,560	£795	£41,366
<i>Older people with care and/or support needs</i>				
Older people	£155	£7,960	£210	£10,920

Source: Commissioner Survey, (N=45)

Note: * client groups with small numbers of respondents have been combined into the 'other' category'.

Data is rounded to the nearest £5 for weekly funding and £10 for annual funding.

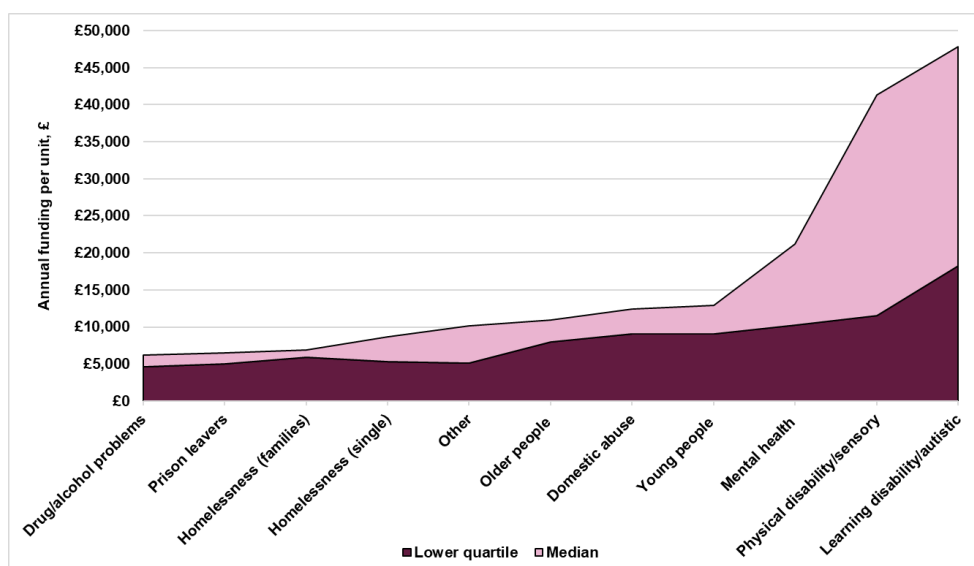
Local authorities were asked to include for any funding from other statutory bodies that co-commission support services.

- 6.21 Funding per unit is lower for client groups within short-term or transitional supported housing relative to those in long-term provision for people with disabilities. The funding for support services for young people and people at risk of domestic abuse ranges from £175 per week per unit at the lower quartile of local authorities to a median of £250 per week. This is higher funding per unit than for the remaining transitional accommodation client groups. The remaining client groups range from £90 a week for the lower quartile of local authorities for people with drug and alcohol problems to a median of £165 a week for single homelessness provision. The wider range of funding for the 'other' category (£100 to £195 a week) reflects the diversity of this group which can range from a lower level of funding for refugees or asylum seekers to higher funding per unit for groups with specific complex needs.
- 6.22 The data provided by commissioners on funding per unit of older persons housing is relatively high with a lower quartile of £155 a week and a median of £210 a week across local authorities. The interviews with commissioners indicate that when they do commission services for older people this tends to be for those with high levels of needs that require extra care provision. Given the consistency of response to the Commissioner Survey it is likely that the figures reported relate to extra care schemes. Overall, commissioners provide very limited funding, if any, for sheltered housing. A wider range of data collected through this study indicates that when funding is provided for certain sheltered schemes this is approximately at a level of £10 a week per unit.
- 6.23 The highest funding levels per unit for support services is for people with disabilities. The lower quartile and median level of funding ranges from £195 to £410 per week for people with mental health problems, between £220 and £795 per week for people with physical disabilities or sensory impairments, and £350 and £920 per week for people with learning disabilities and autistic people. Given the much higher median level of

funding observed for people with learning or physical disabilities, as well as the large differences between the median and lower quartile, there appears to be much more variability in the funding patterns reported by respondents for these types of provision. This is likely to reflect that some respondents have included additional funding from other statutory bodies for co-commissioned services. It is also likely to reflect the very bespoke and expensive nature of some provision for people with very high needs. This cost is therefore likely to vary considerably across local authorities depending on the local composition of residents requiring high levels of support.

6.24 Figure 6.1 presents the annualised amounts of funding per commissioned unit for each of the client groups. This demonstrates there is a relatively narrow range between the lower quartile and median level of funding provided for all the client groups within short-term or transitional accommodation. The range is approximately £1,000 a year for homeless families increasing to £3,800 a year for provision for young people. This latter group can include a range of provision including for young parents who are likely to require more support than those in mainstream provision for young people.

Figure 6.1: Average annual funding per unit of commissioned support services provided by local authorities



Source: Commissioner Survey, (N=45)

Note: Local authorities were asked to include for any funding from other statutory bodies that co-commission support services.

6.25 The difference between the lower quartile and the median level of funding for people with disabilities is much greater. This increases to a difference of nearly £30,000 a year per funded unit for people with physical disabilities, sensory impairment, learning disabilities and autistic people. The higher level of funding for some provision is likely to reflect very bespoke supported housing for some people that require support 24 hours a day to be able to live in the community. Potentially these individuals would otherwise be in institutions or care homes without this high level of support. It also needs to be remembered that the difference between the median and the upper quartile or maximum levels of average funding provided will be higher still.

Total funding for commissioned services

6.26 Given the overall variability in commissioning practices and average funding per unit provided, it is difficult to estimate the level of total funding for commissioned services across Great Britain. However, it is possible to triangulate across all the available data

sources to estimate how much funding would need to be provided by local authorities for commissioned services if, on average, funding and commissioning patterns observed here are replicated across local authority areas.

- 6.27 The estimates of total funding across Great Britain are derived by combining the earlier stock estimates by client group (Table 3.5), Provider Survey data on the proportion of their stock which is commissioned (Figure 3.6) and the average funding per unit reported by local authorities (Table 6.1). Additional factors have also been integrated into the analysis, including taking account of the proportion of older person's housing in each country that is held by local authorities, and the proportion of stock that is extra care. The funding estimates provided here are not comparable to those produced in the 2016 Supported Accommodation Review which were derived from population weighted commissioner survey estimates alone, did not account for the composition of older people's housing, and did not include funding from wider statutory bodies.
- 6.28 Table 6.2 provides estimates of how much annual funding would be needed if the observed funding and commissioning patterns seen in the surveys is replicated across all local authorities in Great Britain. The estimates are provided for both the lower quartile and median levels reported by local authorities of the average funding per unit for each client group. This also includes reported funding provided from wider statutory bodies. The total funding is between £2.11 billion a year if the lower quartile of average funding is used as the basis of an estimate and £4.43 billion a year if the median of the average funding per unit is used as the basis of the estimate.

Table 6.2: Total funding for commissioned supported housing services if provided at lower quartile or median of average funding levels per unit

	Lower quartile total annual funding (£) Great Britain	Median total annual funding (£) Great Britain
<i>Short-term/transitional supported accommodation</i>		
Homelessness (single people)	£247,580,000	£404,910,000
Homelessness (families)	£155,070,000	£180,120,000
Young people	£74,260,000	£105,540,000
Domestic abuse	£41,650,000	£56,970,000
Drug or alcohol problems	£12,340,000	£16,730,000
Prison leavers	£10,240,000	£13,130,000
Other*	£44,710,000	£88,740,000
<i>Long-term supported housing for working age disabled people</i>		
Mental health problems	£199,700,000	£414,650,000
Learning disability and autistic people	£1,012,680,000	£2,659,010,000
Physical disability or sensory impairment	£29,840,000	£106,820,000
<i>Housing for older people with care and/or support needs</i>		
Older people (55+)	£284,380,000	£383,830,000
Total	£2,112,450,000	£4,430,450,000

Source: Sheffield Hallam University estimates

Note: Local authorities were asked to include for any funding from other statutory bodies that co-commission support services.

- 6.29 The large range in estimates of funding for commissioned services, in Table 6.2, reflects the large range in the average funding per unit reported by local authorities for supported housing for people with learning disabilities and autistic people, and for

people with physical disabilities. If the lower quartile of average funding per unit is used for these latter two groups alongside the median level of funding per unit for all other client groups, then the estimate of overall annual funding required is £2.71 billion a year.

- 6.30 Table 6.3 indicates the distribution of funding across the three nations, if the average funding per unit for the lower quartile and median of local authorities is replicated, follows a similar distribution to overall stock: 88 per cent in England; 7 per cent in Scotland; and 5 per cent in Wales. This means a slightly higher proportion of overall funding is required in England (88 per cent) relative to stock (84 per cent) which reflects the composition of supported housing in each nation. Older people's housing accounts for a higher proportion of overall stock in Scotland and Wales (about three-quarters) compared to in England (about two thirds; Table 3.5). The majority of older people's housing is sheltered housing, and most of this receives very little, if any, direct funding via commissioned services from local authorities. In Scotland and Wales, a higher proportion of older people's housing is also provided by local authorities, rather than registered social landlords, much of which tends not to receive any direct funding for commissioned services.

Table 6.3: Total annual funding for commissioned supported housing services if provided at lower quartile or median of average funding per unit, by country

	Lower Quartile	Median for most client groups but lower quartile for learning disabilities and physical disabilities	Median
England	£1,862,480,000	£2,386,680,000	£3,907,390,000
Scotland	£145,050,000	£185,730,000	£305,880,000
Wales	£104,930,000	£134,730,000	£217,170,000
Great Britain	£2,112,450,000	£2,707,140,000	£4,430,450,000

Source: Sheffield Hallam University estimates

Note: Local authorities were asked to include for any funding from other statutory bodies that co-commission support services.

- 6.31 It needs to be remembered that as a Housing First approach increasingly becomes the norm in Scotland and Wales, then the balance of funding may move more towards providing floating services, rather than commissioned supported housing services as part of designated supported accommodation. Funding may therefore move between different budget headings but none the less be required to deliver support for vulnerable groups. It also needs to be noted that the funding levels estimated here do not take into account current levels of unmet need. The funding required will be significantly higher if it is to keep up with increasing demand, increasing complexity of need, and unmet need.

7 Funding from the Housing Benefit system

Introduction

- 7.1 The Housing Benefit system plays an important role in contributing to the accommodation costs for certain groups of individuals living on a low-income. This includes two key groups of claimants living in supported housing. The first group are individuals whose claims meet the requirements to be assessed within four categories of Specified Accommodation: Exempt Accommodation, Managed Properties, Refuges, and Local Authority Hostels (Chapter 2). The second group are of pensionable age and live in older people's housing or sheltered housing, but who do not meet the eligibility criteria for Specified Accommodation which are based on the individual needs of claimants, the type of landlord, and whether more than minimal care, support or supervision is being provided. Therefore, for Housing Benefit purposes, many claimants within sheltered housing will be assessed within the rules for general needs accommodation (Chapter 2).²²
- 7.2 Specified Accommodation accounts for 9 per cent of all Housing Benefit claims. This includes Exempt Accommodation which accounts for 83 per cent of all Specified Accommodation claims. The regulations for assessing eligible rent for Exempt Accommodation acknowledge that there are additional costs associated with the delivery of supported housing. Exempt Accommodation is, therefore, not subject to maximum rent rules. In theory, it is possible to restrict the eligible rent for Exempt Accommodation, if it is considered to be unreasonably high or the accommodation is too large for the claimant's needs, but in practice this can be difficult to do due to a number of protections in place for claimants which are built into the Housing Benefit regulations (see Chapter 2). The average Housing Benefit costs for Exempt Accommodation are, therefore, more expensive than for claimants assessed for Housing Benefit purposes under the regulations for general needs accommodation.
- 7.3 In this chapter, the views of Housing Benefit and Revenue Teams and providers are explored in relation to their experiences of navigating and administrating the Housing Benefit system. This includes their perceptions of the consistency of the application of the regulations for rent setting purposes across different places. Data from the DWP Single Housing Benefit Extract is examined on the level of Housing Benefit awards and how these vary across different types of areas. Data from the Housing Benefit Team Survey and Provider Survey shed light on the variation in rents and service charges across client groups. Finally, secondary and administrative data sources, primary

²² In addition to these two groups of Housing Benefit claimants living within supported housing, Housing Benefit is also available to three groups of claimants that do not live in supported housing: those living in Temporary Accommodation; those of pensionable age who live in general needs accommodation; and claimants of working age who are still receiving legacy benefits e.g. Employment Support Allowance and Jobseeker's Allowance.

survey data and the stock estimates are combined to estimate the overall cost of supported housing across Great Britain.

Assessment of Housing Benefit claims

7.4 Many Housing Benefit teams stressed that they would like to see regulations strengthened and offer more clarity on the assessment of Specified Accommodation claims. It was apparent in the interviews that many providers (and in some cases, Housing Benefit Officers) were confused by what constitutes 'more than minimal' care, support or supervision and which service charges are eligible under Housing Benefit rules. Improving the clarity of regulations and guidance was seen by many as crucial in establishing appropriate levels of rents and service charges, assessing rental income streams for new provision, avoiding tenants getting into arrears, and making subsidy rules clearer. The rationale for regulations excluding local authorities (but not English Metropolitan County Councils) from providing Exempt Accommodation was also questioned by many. The regulations also exclude local authorities, other than County Councils in England, from providing Managed Properties under Specified Accommodation rules.

"I don't understand why the legislation prevents councils from providing Exempt Accommodation, [...], but it would give more oversight I guess and more guarantees that the support would be provided, that the accommodation was up to standard."

[Local authority case study]

7.5 In general, the lack of clarity leads to variability in councils' approaches, interpretation and implementation of Housing Benefit policies. Many respondents commented that the current legislation, regulations, and established case law do not provide a sufficient basis from which to successfully challenge high rents and service charges or ensure value for money. Many Housing Benefit teams pointed to instances when they had tried to restrict unreasonably high rents but these decisions had been appealed. The perceived ambiguity in definitions left some local authorities "feeling powerless to challenge providers". Many commented on, what they characterised as, a paucity of regulatory power and oversight to restrict high rents or service charges for non-commissioned service providers. Many stated they feel powerless to prevent non-commissioned providers from setting up schemes in their area when need for the service had not been established.

7.6 Stakeholders stated that Housing Benefit regulations need more simplification and specificity in relation to defining 'suitable' alternative accommodation, eligible service charges, and vulnerability criteria. A key issue brought up repeatedly was the subjectivity of what constituted 'more than minimal' care, support or supervision. Many voiced frustrations that there is no clear, objective way to define what constitutes 'minimal' or not, given the regulations are not based on quantifiable measures such as a specific number of support hours per week. Many stated that this needs to be prescribed in the regulations.

"It's very, very vague. The actual legislation itself, what it tells you about eligible costs, was written years and years ago [...]. So, you'll find that there's so many councils doing different things. [Scotland case study]"

7.7 Typically, Housing Benefit teams commented on the resource intensive nature of making assessments on whether 'more than minimal' levels of care, support or supervision is being provided on a case-by-case basis. This is even more challenging when support has not been directly commissioned by the local authority.

“[for non-commissioned services] we don’t know that support is being commissioned, then we have to ask for further information. It’s usually just asking for something from the support officer giving us details of the support and ensuring that it’s not just like floating support. Usually, they do satisfy us but occasionally they won’t.” **[Local authority case study]**

- 7.8 Many stakeholders feel that more training and investment in local authority staff is needed to ensure staff have the required level of expertise to administer the complexity of the system. Some suggested that Housing Benefit processing staff are often not specialists in housing, nor in care or support and are not qualified to assess a claimant’s care or property needs. Often, advice from other departments in relation to each decision needs to be sought which adds to the administrative and financial burden of the process.

“[but now] required to not only administer Housing Benefit but take responsibility for identifying what is and what is not supported and exempt supported accommodation.” **[Housing Benefit teams case study]**

“The role of a Housing Benefit Officer for Supported Accommodation claims has expanded far outside our area of expertise.” **[Housing Benefit team]**

“Not enough expertise in Local Authorities for the right decisions to always be made.” **[Housing Benefit team]**

“We are admin staff, not regulators or inspectors.” **[Housing Benefit teams case study]**

Exempt Accommodation

- 7.9 The Housing Benefit regulations for Exempt Accommodation were raised repeatedly by many local authorities and providers as a key challenge for the sector. Housing Benefit teams typically described processes for administering Exempt Accommodation rules as onerous to assess eligible rents and service charges. Many acknowledged that the number of claims they considered to be taking advantage of the system in their area is relatively limited. Typically, concerns focused on the need for more clarity, greater powers to restrict rents, and the impact of the rules on local authority budgets given significant levels of subsidy loss for cases where the landlord is not a Registered Social Landlord or local authority (see Chapter 2 and later in this chapter).
- 7.10 Often, respondents reported that the rules were applied inconsistently across local authorities or in relation to specific client groups. Some providers thought the level of detail required by Housing Benefit teams on care, support or supervision was excessive. Others explained that they thought requests for individual support plans breached client confidentiality but if not provided, then payments could be withheld and rent arrears could accumulate to the tenant. Some providers were confused by the level of detail required for each individual when they have already been commissioned to provide the same service by the same local authority for other tenants. However, as Housing Benefit is assessed in relation to each claimant and their individual circumstances, rather than the property per se, then this is a process which Housing Benefit teams are required to undertake for every individual claim.
- 7.11 Whilst there is an expectation on Housing Benefit teams that they should verify individual circumstances, some providers pointed out that requests for information could not be easily provided at the start of each tenancy, or very quickly thereafter, and this leads to problems getting Exempt Accommodation claims accepted. Others stated that, in their opinion, some Housing Benefit officers did not have enough depth

of knowledge of supported housing to make adequate decisions for rent setting purposes.

“[...] we have to provide a support plan in one of our services within two weeks of that customer coming in, so we’re assessing that customer’s needs on sometimes very little information. [The Housing Benefit team] may look at that support plan and could take a month to come back and say we need more evidence, ‘there’s not enough in this support plan’. [...] that support plan grows over a period of time and that might take six weeks to have a full picture and then we can provide that. Or then that person’s left and found accommodation [...] they’re leaving in arrears because they’ve not got the specified exempt status.” **[Provider case study]**

- 7.12 Many providers saw Exempt Accommodation status as essential for their schemes. This allows them to set higher levels of rents to cover the higher costs of providing adequate supported accommodation. A minority of local authorities felt that the focus on obtaining Exempt Accommodation by providers is misguided or unnecessary. Many commented that they thought the process of scrutiny is not always transparent, that communication channels for exactly what is required to substantiate a claim are not always good, and that the basis for decisions is not always clear. The time and resource required to evidence Exempt Accommodation was brought up as an issue by many stakeholders. Some providers thought it wasn’t really worth the ‘hassle’ for the small amount of additional rents received.

“[the Housing Benefit team] will challenge and challenge and challenge and just couldn’t differentiate between a general needs property and a supportive property. [...] if you went out and saw one of those supported properties or an elder person scheme, they’re not general needs properties. They’re very different.” **[Older people housing case study]**

Setting rents and service charges

- 7.13 Negotiating rents and service charges for Specified Accommodation was described by many providers and Housing Benefit teams as one of the most time consuming and resource-intensive activities they undertake. Stakeholders generally acknowledged that ensuring that rent charges are fair and reasonable requires proper resource. However, many thought not enough resource or time is available within local authorities to deal with the volume and complexity of Specified Accommodation claims. The resource intensive nature of submitting evidence for claims can be magnified when multiple funding streams are involved. Many stakeholders stressed more specialist training is required for Housing Benefit teams.

“The assessment of Housing Benefit is a key challenge in itself that can affect the funding of supported accommodation. There can be many different funding streams for Specified Accommodation e.g. Rent /Housing Benefit, support grant, charitable donations [...] local authorities need to identify all these streams and make a deduction from Housing Benefit if the other fundings streams fall short of the support costs. This is an impossible task.” **[Wales case study]**

“It is becoming an increasingly time consuming and difficult job to establish the level of rent and service charges that are eligible for Housing Benefit.” **[Housing Benefit team]**

“Supported accommodation is taking up more and more time. We have recently updated our process for authorising supported accommodation and want to invite new providers to a panel meeting with the Benefits Service and Housing Service. But we just don’t have the capacity to do this on a regular basis [...] takes time that

we just don't have. The burden on administrating this area is increasing year on year and we don't have the funding or expertise so need additional new burdens funding as well as sorting out the subsidy issue.” **[Housing Benefit team]**

- 7.14 Assessing eligible rents and service charges is often undertaken on an annual basis, as well as at the point of a new Housing Benefit claim. Whilst some Housing Benefit teams stated challenging rents and controlling escalating costs is difficult, many are increasingly challenging rents and service charges, including asking for more detailed breakdown of costs. They scrutinise and query new service charges, request breakdowns of the underpinning costs, and question increases in rents or service charges. This approach had been taken by some to prevent, as they saw it, some providers from exploiting the “grey space in regulations”. Many providers readily acknowledged that although time consuming, stringent assessment of proposed rents by Housing Benefit teams is an important exercise required to ensure illegitimate claims from less scrupulous providers are exposed.
- 7.15 Several registered providers detailed how rent setting arrangements for newly commissioned services are made in conjunction with Housing Benefit teams. Partnership working, good communication between providers, commissioners and the Housing Benefit teams were all said to be a good basis for developing new schemes. Transparency in acceptable levels of costs, and providing upfront advice to providers on request, were also seen as beneficial for efficient systems in agreeing rents and service charges. Some noted that local surveyors are used to assess benchmark rents for similar services in the area. However, some providers suggested that some Housing Benefit teams are less clear about the rationale for decisions made and that there is little transparency. Many commented that discussions between providers and commissioners often did not involve Housing Benefit teams from the outset and that this can be an issue further down the line when rent levels are proposed.
- 7.16 Lengthy periods of time taken to process Housing Benefit claims and for decisions to be made is an issue for many providers. They stated this creates risks for both tenants and providers as decisions about eligible rents are not made until tenants have moved in. Examples were given of tenancies that took over a year for rents to be agreed. Tenants affected by delays are often left with rent arrears which they carry to future tenancies. This can present significant barriers for people trying to transition from homelessness services into move-on or mainstream accommodation. Providers emphasised financial hardship can be imposed on tenants when Housing Benefit teams challenged rent levels and the Housing Benefit award is not enough to cover the cost of provision. Particular issues were raised in relation to sheltered housing or extra care provision for older people which was seen by many as falling through gaps in regulation.

“Also, older person's accommodation does not often fit the definitions of Specified and Exempt Accommodation as its purpose is as much about the building types, community and safety as the level of support offered to those tenants.” **[Older people housing case study]**

- 7.17 Providers noted that accommodation costs can remain stable for existing schemes but that service charges for upkeep of adequate accommodation are far more volatile and subject to external forces outside their control, such as inflation. Rising costs of energy, the costs of introducing improved energy efficiency, buildings insurance, materials and workforce costs, were all seen as contributing to increasing costs. Several noted that they are frequently challenging the eligible service charges in relation to intensive tenancy support work required to maintain tenancies, but that many vulnerable clients need this. Housing Benefit teams often raised the issue of

costs for ineligible services charges related to the provision of support services being submitted. Several highlighted instances when they felt that some providers were duplicating costs within service charges, such as wardens, that were already being funded through commissioned support services.

Intensive housing management

- 7.18 Intensive housing management activities is an umbrella term used by many providers to describe the additional duties landlords undertake which are over and above or are carried out to a greater intensity or frequency, than those provided in general needs housing (Department for Work and Pensions, 2022: 189-191). These activities should be in relation to the provision of adequate accommodation and not for providing support. If for individual support, they are ineligible service charges and cannot be covered by Housing Benefit.
- 7.19 Providers across case studies were clear that intensive housing management activities relate to services that are over and above the normal responsibilities of a housing officer for general needs provision. Generally, tasks referred to included making more frequent tenant visits, ensuring rent is paid, delivering a responsive repairs service or provision of a caretaker; additional safety and security measures through the provision of a warden, concierge or security staff; repairs, and the upkeep of communal areas and furniture provided.
- 7.20 Providers taking part in the interviews frequently referred to including costs for intensive housing management tasks as eligible service charges for Housing Benefit purposes. Many noted these are an important element of funding that makes the finances for particular supported housing delivery models viable. Providers often also regularly referred to 'enhanced housing management' tasks and intensive housing management tasks giving access to, 'enhanced Housing Benefit'. However, whilst these terms are in common use amongst providers, and indeed at times amongst local authority respondents, it should be made clear that these are not legally defined terms with 'real' meaning in terms of the Housing Benefit system for setting eligible rents and eligible service charges. Whilst many of the respondents referred to enhanced Housing Benefit, this is not a legally defined terminology. Exempt Accommodation is assessed under pre-1996 Housing Benefit regulations and is not subject to maximum rent rules meaning that rents and eligible service charges can be funded through Housing Benefit are not restricted.

Reasons for higher cost of supported housing

- 7.21 Table 7.1 indicates there is a high degree of agreement across commissioners as to the common reasons for higher costs associated with supported housing. The respondents could indicate more than one factor applied. Many of the items would fall within eligible service charges under Housing Benefit rules or are described as intensive housing management tasks by providers. Nine out of ten commissioners think there are additional costs due to maintenance; 88 per cent due to the up-keep of communal facilities; and 82 per cent due to the provision of a warden, security or concierge service.

Table 7.1: Factors contributing to the higher costs of supported housing relative to general needs provision, Commissioner Survey

Reasons for higher costs for supported housing	Percentage of commissioners
Higher cost of maintaining units occupied by those eligible for support	90
Up-keep costs of communal facilities	88
Provision of wardens/security/concierge services	82
Furnishings are provided	72
The cost of longer periods of voids needs to be covered	71
Sleep over staff require an extra bedroom	71
Providers replacing support with other housing-related services	43
Units tend to be larger and therefore command a higher rent	28
Meals are often provided as part of the support	15
Other	24

Source: Commissioner Survey (N=72)

Note: These categories are not mutually exclusive and respondents could indicate more than one factor.

7.22 It is also worth noting from Table 7.1 that 43 per cent of commissioners thought that providers are replacing support with other housing-related services. Numerous providers reported that they had been advised by commissioners in some local authorities to re-profile relevant support costs, as intensive housing management tasks, for Housing Benefit purposes. Providers stated these situations arose when local authorities had limited funding to continue commissioning existing or new services. Sometimes commissioners still needed the service provision to continue but were unable to increase the value of the commissioned contract to cover inflationary increases in costs and so suggest substitution of some of the support services. Examples included substituting night staff cover that was previously funded as commissioned support services, but which is now allocated as a concierge or security service charge for Housing Benefit purposes. This allows the staffing numbers and safety for clients and staff to be maintained but does not replace the level of support previously being provided. It was also stated that commissioners' advice can sometimes be contrary to the stance then taken by Housing Benefit teams on what is an acceptable eligible service charge. Some providers described these situations as a 'postcode lottery'.

7.23 Other providers stated that they were aware of numerous schemes that had experienced a loss of funding for commissioned support services and that this had necessitated the reprofiling of these schemes to deliver only intensive housing management services. Providers felt that these schemes were still delivering housing for the same client groups, with the same level of need, but that the support services were no longer funded. Whilst providers felt that the tenants in these schemes should still be eligible for higher levels of Housing Benefit to cover the costs of delivery, Exempt Accommodation regulations meant that this was not feasible because funded support services were no longer provided.

“We’ve got numerous examples across the country and across multiple providers where a service has lost its funding, it’s moved to just intensive housing management only, so [no longer] providing support [...] Most of these schemes are large, lots of communal space, so should be able to claim enhanced Housing Benefit but then local authorities apply the criteria for exempt supported accommodation.”
[Provider case study]

7.24 It is clear from some of the examples given by providers that not all are clear on the nuances of, or are adhering to, Housing Benefit regulations for Exempt Accommodation. The Housing Benefit teams are in many instances just enforcing the rules as would be expected. The confusion often arises in relation to non-commissioned supported housing when providers find it more difficult to demonstrate an adequate support package is in place. For example, some providers mentioned arranging for floating support for tenants. But care, support or supervision should be provided along with, and integral to the accommodation rather than as floating support which can follow the individual wherever they live.

7.25 Other providers acknowledged that the intensive housing management tasks they are delivering is the support being provided. But Exempt Accommodation rules make clear that support which is provided to help the claimant live independently in the community, should be funded in addition to any housing management tasks that may be undertaken to ensure adequate accommodation is provided. The cost of care, support or supervision is not eligible to be funded through Housing Benefit - as this is an ineligible service charge, as set out in Housing Benefit regulations (Housing Benefit regulations, 2006, Schedule 1, Part 1, Section 1). Some of the confusion seems to arise from the use of terms by providers such as intensive housing management as being seen as the route to claim 'enhanced' Housing Benefit.

“So, it can be really difficult to prove that this is intensive housing management, so sometimes you're almost forced to have the same customers but then getting support from somebody else to be able to claim that you've got Exempt Accommodation status.” **[Provider case study]**

7.26 Providers explained that they increasingly need to re-profile support activities, that were previously delivered via a commissioned service, as intensive housing management tasks. Examples were given of when this was a successful task but that the process took a lot of resource and time to work it through the system. Other examples given would seem to relate to costs that are not related to the provision of accommodation and should not be an eligible service for Housing Benefit.

“[...] we're saying there's a change of the service that we provide, it's no longer a support service, it's a landlord function and this local authority [Housing Benefit team] is saying no, it's not, it's related to the individual, it's not related to the building, it's a support cost and should be funded by the local authority's support, but the local authority [commissioners] are telling us they've got no money.” **[Local authority case study]**

Variation across local authorities

7.27 Notable disparities in the assessment of eligible or ineligible service charges for Housing Benefit and how these differ across local authorities were reported by many providers. Respondents noted that Housing Benefit guidance does not provide a definitive list of eligible service charges and that this leads to different interpretations of the rules. Providers advocated for more clarity, standardisation, and commonality in the approach taken by Housing Benefit teams to ensure consistency. Providers reported that relatively smooth processes for the assessment of eligible service charges existed in some local authorities. Good practice included clear and direct systems for submitting information on service charges. In other local authorities, providers stated significant time and resources are required to address challenges for more information given the lack of standardisation.

“[it is important to have] a process for all local authorities to follow when deciding if rent and service costs are eligible for Housing Benefit and reasonable to ensure

there is a consistent approach across all local authorities is a priority.” **[Provider case study]**

“They all have very different templates and different things that they will and will not fund. I don’t think we’ve got any real situations with anybody where we haven’t got there in the end, but it’s taken a lot of energy and a lot of time. We work to the DWP guidance, we should be able to reach those resolutions easily enough.” **[Homelessness case study]**

“With a lack of standardisation it’s just an open playing field.” **[Local authority case study]**

- 7.28 The administrative burden and costs for submitting claims are rising due to an increased level of scrutiny in some local authorities. Some providers noted that this compounds the financial strain felt by those in the sector, especially amongst smaller providers. Some noted they had positive relationships with certain local authorities but experienced difficult working relationships with others. Issues often exacerbated delays in responses to queries, information provided, and general levels of engagement.

“That’s usually in April every year but we’re still arguing in December [...] quite often they ask for a copy of the management agreement to justify anything that’s gone on it, [...] they’ll challenge that every year.” **[Wales case study]**

- 7.29 Many providers, Housing Benefit departments and commissioners stressed the importance of seeking approval from Housing Benefit teams before proceeding with new schemes. Usually, this involved collaboration with the commissioner to identify any potential issues. Agreement across the three parties was seen as essential given varied interpretations of the criteria for eligible rents and service charges for Housing Benefit purposes.

“So it is a bit of a mixed bag, but that’s why we approach them before we operate in any new areas to sort of try and understand what the issues might be.” **[Learning disability and autism case study]**

Temporary Accommodation

- 7.30 Local authorities reported facing increasing demand for homelessness provision. When supported accommodation or alternative housing options are not available this results in those facing homelessness being housed in temporary or emergency accommodation. This type of accommodation is categorised as Temporary Accommodation within Housing Benefit regulations which is different than Specified Accommodation. This type of provision is not categorised as supported housing as it does not have to provide support as part of the accommodation. The Housing Benefit regulations for Temporary Accommodation in determining eligible rent for Housing Benefit purposes and subsidy rules are different than for Specified Accommodation (Department for Work and Pensions, 2023:600:653).
- 7.31 Local authority responses to increasing demand for homelessness provision varied across case study areas. Many local authority homelessness commissioners discuss some issues around the costs of Temporary Accommodation and Specified Accommodation interchangeably as part of interconnected issues in the wider system for homelessness provision. Whilst some local authorities owned or managed their own accommodation, others increasingly leased private rented sector accommodation to fulfil this function. The high demand for private rented housing, especially at or below the Local Housing Allowance rate of the 30th percentile of market rents, was

seen as contributing to escalating private sector rents and the costs of leasing this type of accommodation. A significant shortage in suitable one bed properties, a reliance on Houses for Multiple Occupation, and concerns about the quality of accommodation available were mentioned as significant issues for many local authorities. Many providers stated that the rising costs of private sector rents is a critical issue for homelessness provision. Other respondents noted that a shortage of emergency accommodation has led to more families being placed in more expensive bed and breakfasts, or hotels.

“As a Council we've always tried to avoid using emergency accommodation, so people are either rehoused in the housing stock, and there's a team that deal with private sector that try and place people in private accommodation. But over the last year or so, because the demand has gone up for lots of reasons in the city, and the contract with [large private landlord] has massively increased.” **[Local authority case study]**

7.32 A lack of supply of suitable affordable housing, an escalation in private rented sector rents and increasing demand for homelessness services were all seen to be contributing to local authority budgetary pressures. In one case study, this had led commissioners to meet the shortfall between the Local Housing Allowance rate and actual rent required to house homeless people in order to increase supply. There was a concern that this measure then contributes to inflated private rented sector rents in the area.

7.33 Respondents also raised concerns that Housing Benefit rules meant that as private rented sector landlords cannot meet the definition of Exempt Accommodation under Specified Accommodation rules, then accommodation costs could not be covered. Commissioners and providers highlighted this creates a disconnect between Housing Benefit legislation and the use of the private sector to meet unmet need for homelessness provision. Several respondents emphasised that the Housing Benefit regulations for supported housing as well as the long-term freeze in Local Housing Allowance rates negatively impacts on the quality of overall provision for vulnerable groups, reduces the ability of low-income claimants to access the private rented sector, and is deterring private landlords from taking on complex or vulnerable tenants. The high level of demand for homelessness provision means that people with a need for support, who cannot obtain a place in supported housing, may be housed in Temporary Accommodation but because support is not provided as part of the accommodation and the Specified Accommodation definition is not met, the wider costs of the accommodation cannot be covered by the Housing Benefit system:

“The current Housing Benefit arrangements don't include private providers as Exempt/Specified Accommodation which limits rental income. There are significant additional costs to ensure services are well managed and are of a suitable quality which cannot be met by the current rate of Local Housing Allowance for supported housing provision.” **[Wales case study]**

Lease-based models

7.34 An increase in the practice of private landlords looking to partner with registered providers to provide supported housing was also frequently discussed by respondents. Providers lease the private rental sector properties, collect the rent, and manage repairs on behalf of their tenants. These properties are often providing shared accommodation. This arrangement reduces administration and risk to the landlord that would normally be associated with a tenant in receipt of Local Housing Allowance without a support provider. A range of stakeholders suggested that some leased-

based arrangements are problematic and are seen as taking advantage of the Housing Benefit system. Other respondents suggested that large private landlords are setting up Housing Associations to attain registered provider status to access higher levels of rent through Exempt Accommodation. However, it should be noted that a registered provider must also demonstrate that they are a not-for-profit organisation for Exempt Accommodation rules to be met.

“Obviously the rents in supported accommodation are going to be higher and to be able to get - because of the rules [...] So, although it’s a bit manipulating the system you can sort of understand why they go down that route, simply to make it fit within the current Housing Benefit rules.” **[Local authority case study]**

- 7.35 The benefits of providers owning their properties rather than leasing them included allowing them to have more flexibility in setting rents. Rent adjustments could be made to match the financial viability of a particular project. Providers frequently said this is preferable to lease-based properties which have fixed lease costs which must be factored into the rent setting process.

“[...] how we set the rents depends on whether it's leased or owned. Owned properties we've got a bit more flexibility with, so we can, you know, cut our cloth accordingly. If the rents aren't quite stacking up, then we can take a view on it. Obviously with leased, the lease cost is the lease cost. So, that has to be factored in somewhere.” **[Learning disability and autism case study]**

Consultants

- 7.36 External consultants were used by a number of providers taking part in the research to assist them in assessing their costs, setting service charges, and rent levels. For some, the use of consultants was in response to increasing scrutiny from Housing Benefit teams in challenging service charges.

“We realised that actually we were underselling what all these costs were. So, we got [a consultancy] to help us have a look at what our service charge was. So, they came back with a huge service charge of what we could charge under HB and all the different things we paid for that were eligible. [...] Cos we’re working with young homeless people, you don’t want to make accommodation out of their reach so there’s kind of a fine line. So, we put a new service charge in slightly higher, but not as high as we could’ve gone for, and that got agreed.” **[Scotland case study]**

- 7.37 Housing Benefit teams reported an increase in the use of consultants by providers. Some were of the opinion that in certain cases consultants advise landlords how to exploit the ‘grey spaces’ in Housing Benefit regulations. This often related to the eligibility of service charges, intensive housing management tasks, or what some consultants referred to as ‘enhanced’ Housing Benefit. Some local authorities raised concerns about the use of consultants by certain new providers that were establishing themselves across various local authorities to supply non-commissioned supported housing services. Some suggested that less scrupulous landlords exploit gaps in oversight and regulation to claim large rents from the Housing Benefit system whilst providing poor quality accommodation or limited support services. The practice of such providers relying on third-party contractors to maximise rents for non-commissioned provision, including the use of Freedom of Information requests, was also referred to.

“Increasingly what you find are landlords will use a third party to set their rents for them [...] like a race to the top almost, they’ll receive freedom of information requests from various organisations asking for the highest level of rent you pay for

Housing Benefit in supported Exempt Accommodation.” **[Housing Benefit team interview]**

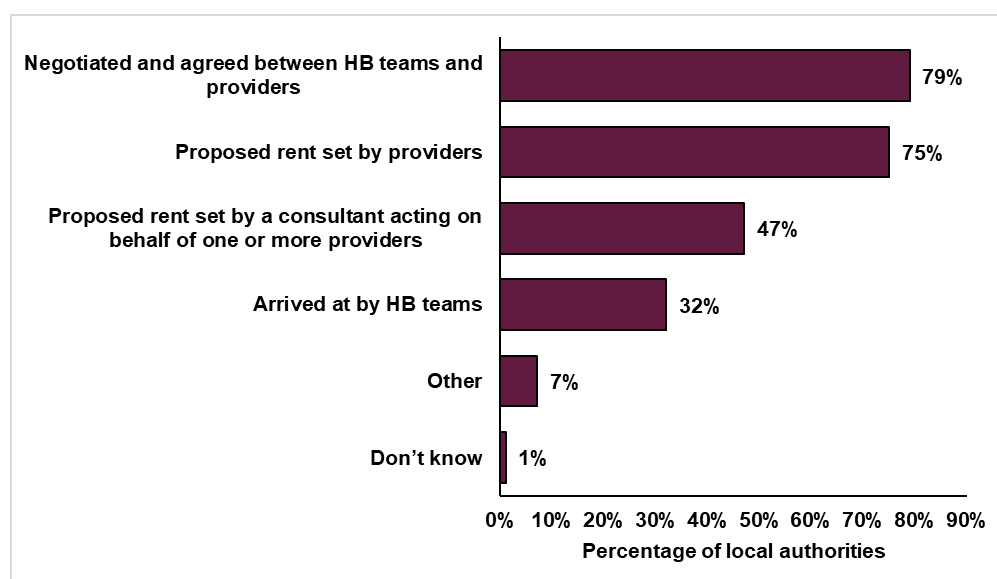
7.38 Some respondents suggested that consultants increased the number of claims that involve double charging of service charges, including those badged as intensive housing management tasks, to both support costs and accommodation costs. The use of consultants was also seen as a factor in an increasing number of appeals that use case law to prevent the restriction of rents. Many respondents saw fighting appeals as too resource intensive and expensive to defend in court.

“I’m not sure I’m convinced by that argument that’s in the case law, [...], but some do seem to push on that point.” **[Local authority case study]**

“Consultants are seeing this as a cash cow area” **[Housing Benefit team]**

7.39 Housing Benefit teams were asked about the main ways rents and service charges are decided in their local authority. Figure 7.1 shows that they are negotiated and agreed between Housing Benefit teams and providers in 79 per cent of local authorities. In three-quarters of areas rents are proposed by providers and in just under half, consultants acting on behalf of providers are involved in proposing rents for supported housing. However, when Housing Benefit teams were asked which is the most common method for deciding rents in their areas, joint negotiations between the Housing Benefit team and providers was the most common method (52 per cent), and only three per cent of respondents said that the main method used involves consultants.

Figure 7.1: How eligible rents and service charges are decided in local authorities



Source: Housing Benefit Team Survey (N=161)

Note: These categories are not mutually exclusive and respondents could indicate as many methods as were used in their local area.

7.40 While some Housing Benefit teams voiced concerns about a minority of applications for Exempt Accommodation in their area, many indicated the majority are legitimate. Claims considered to be taking advantage of the regulations were often attributed to particular types of non-commissioned private landlords that they felt were exploiting the system and were not providing an adequate level of care, support or supervision.

Subsidy Loss

- 7.41 Unitary, single tier and lower tier local authorities administer the Housing Benefit system and claim back a subsidy from the Department for Work and Pensions to cover the costs for Housing Benefit claims in their area. However, a series of complex rules determine how much subsidy can be claimed back which varies depending on the type of accommodation, eligible rent rules, and the type of landlord (Chapter 2: 2.16:2.19). The subsidy system is not intended to reimburse 100 per cent of all Housing Benefit awards paid by local authorities for all supported housing cases. The Department for Work and Pensions (2023) Housing Benefit subsidy guidance manual states that in areas of expenditure that local authorities have most scope to monitor and control costs, lower rates of subsidy apply.
- 7.42 When the landlord of Exempt Accommodation is not a Registered Housing Association or a local authority, a referral must be made to the Rent Officer for subsidy purposes (see Chapter 2: 2.16:2.19). In these cases, 100 per cent subsidy will only be paid for the Housing Benefit award up to the level of the Rent Officer Determination. If the claimant is deemed to be vulnerable, the local authority can also receive subsidy for the 60 per cent of the amount above the Rent Officer Determination. The remaining 40 per cent above the Rent Officer Determination is funded from the local authority budget (Department for Work and Pensions, 2023: 770-771). If the claimant does not meet the criteria to be classified as vulnerable, but requires the supported housing, then the local authority receives zero subsidy for any amount above the Rent Officer Determination.
- 7.43 This can lead to significant shortfalls in funding or ‘subsidy loss’ for some local authorities. For example, in one case study the annual subsidy loss had increased from approximately £10,000 in 2018/19 to nearly £700,000 in 2022/23. Several local authorities noted they currently had subsidy loss running at millions of pounds every year.
- “It cost the city council last year over £2 million in lost subsidy and at a time of very reduced local government funding it’s not really a hit that we can continue to take without it impacting on other services, so it’s a huge concern.” **[Local authority case study]**
- 7.44 Many Housing Benefit teams and commissioners taking part in the interviews stated that supported housing subsidy loss is a significant issue and area of concern for their local authority. They expressed frustration about the differentiation between types of landlord which means that not all subsidy is returned for all provision. The logic underpinning the subsidy rules was questioned and ‘did not stack up’. It was especially an issue in areas where many of the quality providers are established charities or voluntary organisations. Many respondents noted an increase of non-commissioned services or non-registered providers in their areas is also increasing subsidy loss over time. Others also saw it as illogical that local authorities (other than non-metropolitan County Councils in England) cannot be the landlord for Exempt Accommodation or Managed Properties, and this acts as a disincentive for local authorities to own self-contained supported housing.
- “The only one we can make it fit in is hostels because we have what used to be called network schemes where the council set aside some properties and they’re rented to social services. **[Local authority case study]**
- 7.45 Many local authorities highlighted excellent charitable providers who ran much needed schemes providing high-quality accommodation for vulnerable people, but that these

schemes are expensive and very costly to the local authority in subsidy loss terms. It was commonly stated that local authorities have no choice but to accept claims that would result in subsidy loss to the council, because there was not enough alternative suitable accommodation.

“We can’t discriminate against registered charities who obviously are providing a good service, but the regulations don’t favour councils who have lots of charities rather than Registered Social Landlords in their area.” **[Local authority case study]**

- 7.46 Many local authorities said they needed to make difficult decisions to find income from other areas of the local authority budget to cover escalating subsidy loss. This included savings from reducing funds available to commission supported housing services and staffing levels within the Housing Benefit department. Meanwhile, respondents frequently noted that the burden of administering Housing Benefit in relation to supported housing is increasing year on year, with both an increasing number and complexity of those claims.

“The subsidy issue means that we as a local authority need to find savings in other areas and over the years the capacity at management level has reduced significantly. We would also like to be able to do visits to properties to check on the level of care, support or supervision provided but again don’t have the capacity to do this.” **[Housing Benefit team]**

- 7.47 Some commissioners encouraged non-commissioned providers to become not-for-profit registered providers. However, the process of registering providers is lengthy and challenging. Some of the commissioned charities supported by some councils to obtain status had their applications rejected. It is not an option for other providers as they do not meet requirements with regards to assets held. Many local authorities felt they are being penalised for schemes which they cannot prevent from setting up in their area or that the supply of alternative provision is limited. Reform of the Housing Benefit subsidy arrangements was seen as essential by many. There was consensus across many Housing Benefit staff interviewed that the current situation is untenable.
- 7.48 Other common concerns raised by local authorities related to the subsidy loss incurred from a separate set of subsidy rules which operate for Temporary Accommodation (Department for Work and Pensions, 2023:600:653). These rules for Temporary Accommodation are intended for accommodation where care, support or supervision are not provided. Local authorities receive subsidy for Temporary Accommodation claims which are calculated based on the lowest of either the claimant’s Housing Benefit entitlement or a formula using the area’s Local Housing Allowance rate from January 2011 (usually 90% of the applicable LHA rate) or an upper subsidy cap of £375 per week (£500 per week in inner London). The Local Housing Allowance rates used to calculate subsidy for Temporary Accommodation remains at January 2011 rates.
- 7.49 Many local authorities faced increasing demand for Temporary Accommodation for homelessness, but the limited supply of properties within Local Housing Allowance rates is insufficient to meet demand. Therefore, subsidy loss is incurred if properties with rents above Local Housing Allowance rates are used as Temporary Accommodation or when buildings, such as hotels, are leased for homelessness provision. The Chancellor’s 2023 Autumn Statement announced that Local Housing Allowance rates, which and have been frozen since April 2020, will be reset from April 2024 to the 30th percentile of local rents for September 2023. This measure took effect in April 2024 and provides support to households with rental costs, helping to reduce the risk of rent arrears that may lead to homelessness. This may reduce pressure on

the demand for Temporary Accommodation which in turn, may help with some of the subsidy pressures for local authorities with this type of accommodation.

Rents and service charges

- 7.50 A range of secondary and administrative data sources offer insights on various aspects of rents and service charges for sub-sectors of the supported housing market. However, there is not one definitive source across Great Britain which offers data on a comparable basis using the same definitions. Instead, a selection of data is presented here from a range of sources to highlight the variation in rent levels and service charges across types of provision, client groups and places.
- 7.51 Table 7.2 provides data on the average rents of new social lettings in supported housing in England, in 2022/2023, available from CORE data (Continuous Recording of lettings in social housing in England).²³ The data is available separately for local authority or private registered providers and by whether the property is categorised as available at a social rent or affordable rent (see Glossary). This data has been combined with data from the Regulator of Social Housing in England on total recorded stock in each of these categories to create weighted averages for weekly rents for each provider type, and each rent type. The average rent for supported housing in England for registered providers is £108 a week.

Table 7.2: Average weekly rents for supported housing by Registered Providers in England, £ per week, 2022/2023

	Local Authority Supported Housing	Private Registered Providers Supported Housing	All Registered Providers
Social Rent	£94	£109	£106
Affordable Rent	£117	£165	£154
Total	£95	£111	£108

Source: CORE; Regulator of Social Housing in England

Note: This does not include service charges.

- 7.52 Data from Stat-Wales does not provide comparable supported housing rents data. However, it does provide a breakdown of rents for supported housing by two broad types of provision. This indicates that the average weekly rent of supported housing (including sheltered stock and non-self-contained properties) in Wales in 2022/2023 is £93 per week. The average weekly rent for Extra Care stock in Wales is provided separately and is £148 a week. A weighted average based on the overall stock composition is £97 per week across all supported housing provision in Wales. A breakdown of supported housing rents on a similar basis for Scotland is not available.

Average weekly rents by client group

- 7.53 The secondary and administrative data on rents from CORE (covering social lettings in England) and Stat-Wales includes a large proportion of provision which is for older people in sheltered housing. This type of accommodation has lower rents than other types of provision and so this lowers the overall average rent across the sector. The

²³ The CORE data for rents is based on national published tables for 2022/2023. The CORE data included on tenant characteristics in Chapter 3 and Appendix A3 is based on 2021/2022 data from the latest data from the CORE dashboard at the time of writing this report.

Provider Survey gives some useful insights on the variation in average rent and service charges for each individual client group. Table 7.3 indicates that the average rent for older people provision is £124 per week. This is substantially lower than average rents for all working age groups which is £160 per week. Overall, there is limited variation in rents across short-term and longer-term working age provision with most clustering between the range of £147 to £178 per week. People experiencing homelessness have the highest average rents of £178 per week for single people and £177 per week for families. The catch all 'other' group has the lowest average rent of £114 per week. This group includes provision for refugees and asylum seekers as well as for veterans and other groups. A weighted average of all weekly rents which takes into account the national stock profile is £136 per week.

Table 7.3: Average weekly rent by client group, 2022-2023 Great Britain

	Average rent £ per week
Short-term/transitional supported accommodation	
People experiencing homelessness (single people)	£178
People experiencing homelessness (families)	£177
Young people leaving care	£162
People at risk of domestic abuse	£162
People with drug or alcohol problems	£163
Prison leavers	£147
Other*	£114
Long-term supported housing for working age disabled people	
People with mental health problems	£163
People with a learning disability/autistic people/physical disability	£153
Housing for older people with care and/or support needs	
Older people (55+)	£124
All provision – weighted average based on composition of stock	
All working age	£160
All	£136

Source: Provider Survey

Note: This does not include service charges.

7.54 The providers taking part in the survey indicated that 89 per cent of their supported housing stock is available at social rent, five per cent is at affordable rent and six per cent is available at market rent.

Average weekly service charges by client group

7.55 Table 7.4 details the variation in average weekly service charges by client group amongst those providers taking part in the survey. Respondents were asked to include all service charges, including those that are not eligible for Housing Benefit. The average service charge for older people's housing is £65 a week and for working age client groups is substantially higher at £102 per week. The average service charges for longer-term working age provision for people with mental health problems (£78 per week) and for people with a learning disability or physical disability (£80 per week) are notably lower than for most of the other working age short-term transitional supported accommodation categories. The highest average weekly service charges are for homelessness provision for families (£132 per week) and young people leaving care (£125 per week). A weighted average of weekly service

charges which takes account of the stock profile across Great Britain is £78 per week.

Table 7.4: Average weekly service charge by client group, 2022-2023 Great Britain

	Average service charge, £ per week
Short-term/transitional supported accommodation	
People experiencing homelessness (single people)	£109
People experiencing homelessness (families)	£132
Young people leaving care	£125
People at risk of domestic abuse	£103
People with drug or alcohol problems	£78
Prison leavers	£116
Other*	£101
Long-term supported housing for working age disabled people	
People with mental health problems	£78
People with a learning disability/physical disability	£80
Housing for older people with care and/or support needs	
Older people (55+)	£65
All provision – weighted average based on composition of stock	
All working age	£102
All	£78

Source: Provider Survey

Note: This includes all service charges including those that are not eligible for Housing Benefit.

- 7.56 The Provider Survey also asked respondents to indicate the percentage of overall rent and service charges that are eligible for Housing Benefit (Table 7.5). Supported housing for single people experiencing homelessness and accommodation for people with learning disabilities and autistic people both have the highest proportion of rent and service charges eligible for Housing Benefit (83 per cent). On average, only 60 per cent of rent and service charges for people with drug or alcohol problems, prison leavers and people with mental health problems are eligible for Housing Benefit.
- 7.57 A weighted average which takes into account the stock profile by client group, indicates that 77 per cent of rent and service charges for all supported housing are eligible for Housing Benefit. The remaining 23 per cent will need to be self-funded by the tenant, covered by charitable income, subsidy from the landlord or from income for providing commissioned services.

Table 7.5: Percentage of combined rent and service charges eligible for Housing Benefit, by client group, 2022-2023 Great Britain

	Percentage
Short-term/transitional supported accommodation	
People experiencing homelessness (single people)	83%
People experiencing homelessness (families)	61%
Young people leaving care	71%
People at risk of domestic abuse	70%
People with drug or alcohol problems	60%
Prison leavers	60%
Other*	71%
Long-term supported housing for working age disabled people	
People with mental health problems	60%
People with a learning disability/physical disability	83%
Housing for older people with care and/or support needs	
Older people (55+)	71%
All provision – weighted average based on composition of stock	
All working age	73%
All	77%

Source: Provider Survey

Eligible rents data from the Single Housing Benefit Extract

- 7.58 This section examines aggregate data provided by the Department for Work and Pensions from the Single Housing Benefit Extract (see Chapter 3). Since April 2022, local authorities have been required to indicate on their records if new Housing Benefit claims are within Specified Accommodation rules. This includes identifying if the claim is for Exempt Accommodation or within the other three categories of Specified Accommodation (Managed Properties, Refuges or Local Authority Hostels).
- 7.59 Since March 2023, additional funding has been provided to local authorities from the Department for Work Pensions to also identify and record any existing Specified Accommodation claims on their Housing Benefit data. The coverage, consistency and quality of data on Specified Accommodation Housing Benefit claims has improved as a result of this data exercise.
- 7.60 Single Housing Benefit Extract data for November 2023 is presented in this report. However, the data improvement exercise will not be completed until April 2024. The extract used in this study will, therefore, still include some under-recording of Specified Accommodation claims. The remaining five months of the process will identify additional Specified Accommodation claims, but the impact is estimated to be relatively small at around five to ten per cent of all current Specified Accommodation claims, but there remains some uncertainty.
- 7.61 The Single Housing Benefit Extract is the best available data on eligible rent for Housing Benefit purposes for supported housing that falls within the Specified Accommodation rules.²⁴ The information is robust as it systematically collects data for Housing Benefit claimants in all local authorities rather than relying on a sample

²⁴ Eligible rent is defined as ‘the amount of housing costs a claimant pays which may be met by Housing Benefit. This is the claimant’s rent or other housing costs less deductions for any ineligible items’ (Housing Benefit Guidance Manual A4, pg. 4.20). Therefore, eligible rent includes eligible service charges. Housing Benefit is a means tested benefit.

survey. The data encompasses all providers, including local authorities, with any supported housing provision within the Specified Accommodation rules. The data also provides comparisons with eligible rent levels for supported housing which is non-Specified Accommodation, for example, much of sheltered housing is categorised as general needs provision in Housing Benefit terms. The Single Housing Benefit Extract also provides the basis of calculations for accommodation costs to the benefits system presented later in this chapter.

7.62 The November 2023 data includes 215,770 Specified Accommodation Housing Benefit claims. Specified Accommodation accounts for 9 per cent of all Housing Benefit claims. Exempt Accommodation accounts for 83 per cent of all Specified Accommodation. See Table 3.6 in Chapter 3 for a fuller exploration of the composition of Supported Accommodation claims.

7.63 Table 7.6 indicates the average eligible rent for all Specified Accommodation claims in Great Britain is £247 per week. The average eligible rent level varies by country from £236 per week in Scotland to £247 in England. The North West has the lowest regional average eligible rent at £227 per week, and the highest regional average eligible rents are in the East Midlands at £266 per week and in London at £304 per week.

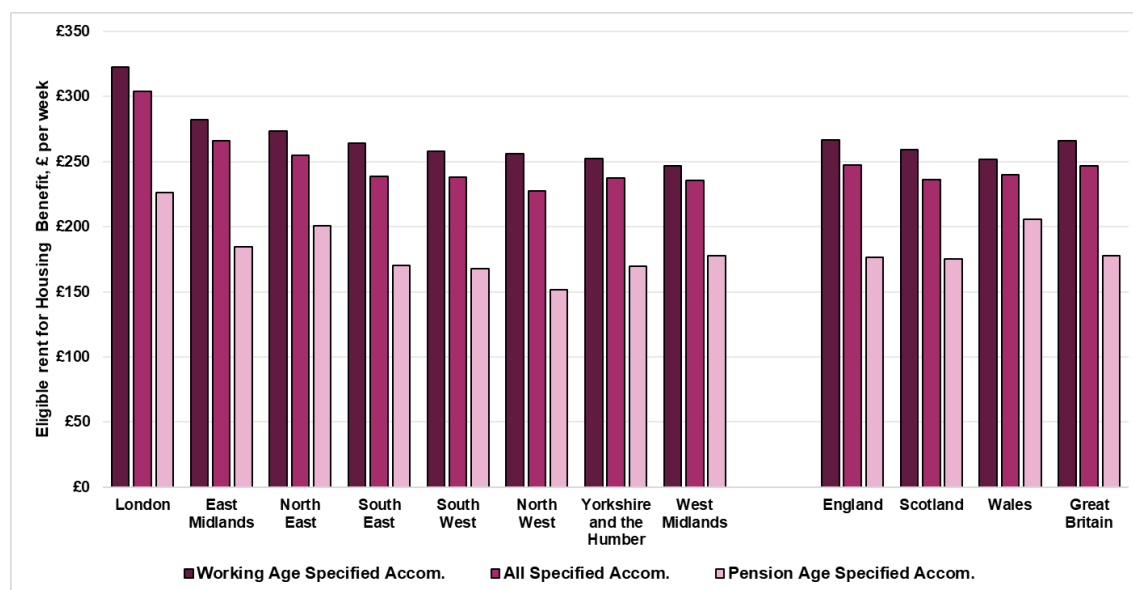
Table 7.6: Specified Accommodation eligible weekly rent for Housing Benefit, by age and region, November 2023

	Working age Specified Accommodation £ per week	Pensionable age Specified Accommodation £ per week	All Specified Accommodation £ per week
East	£266	£175	£246
East Midlands	£282	£184	£266
London	£322	£226	£304
North East	£274	£201	£255
North West	£256	£152	£227
South East	£264	£171	£239
South West	£258	£168	£238
West Midlands	£247	£177	£236
Yorkshire and the Humber	£252	£169	£238
England	£267	£176	£247
Scotland	£259	£175	£236
Wales	£252	£206	£240
Great Britain	£266	£178	£247

Source: Department for Work and Pensions, Single Housing Benefit Extract

7.64 The composition of Specified Accommodation between working age (78 per cent of claims) and pensionable age provision (22 per cent of claims) impacts on the overall level of rents. Table 7.6 indicates that working age provision is more expensive (£266 per week) than pensionable age provision (£178 per week). Average eligible rent for working age Specified Accommodation ranges from £247 per week in the West Midlands to £322 per week in London. This data is also presented in Figure 7.2 below.

Figure 7.2: Specified Accommodation eligible weekly rent for Housing Benefit, by age and region, November 2023



Source: Department for Work and Pensions, Single Housing Benefit Extract

- 7.65 In Great Britain, eligible rent is on average higher in Exempt Accommodation (£250 per week) than the combined other three categories of Specified Accommodation (£231 per week). The only areas where this pattern is reversed is in the East Midlands which has a higher average eligible rent for non-Exempt Specified Accommodation of £271 per week compared to Exempt Accommodation of £265 per week; in Wales, £256 per week for non-Exempt Specified Accommodation compared to £231 per week for Exempt Accommodation; and in Scotland, £241 per week for non-Exempt Specified Accommodation compared to £235 per week for Exempt Accommodation.
- 7.66 The 46,730 pensionable age Specified Accommodation Housing Benefit claims account for 11 per cent of all supported housing for older people. Specified Accommodation for older people is primarily likely to consist of extra care provision which accounts for approximately 10 to 15 per cent of all older people’s housing. Therefore, the average eligible rent for pensionable age Specified Accommodation is more akin to a proxy for the rent levels seen in extra care provision rather than older people’s provision as a whole. In the main, much of sheltered housing for older people will not fall within the Specified Accommodation Housing Benefit rules. The average eligible rent for sheltered housing is much lower than for extra care provision and is on a par with general needs provision for pensionable age people at £115 per week (see Table 7.7).
- 7.67 Table 7.7 indicates the average level of eligible rent for Specified Accommodation in Great Britain (£247 per week) is much higher (93 per cent) than provision which is categorised within Specified Accommodation Rules as general needs provision (£128 per week). The differential between Specified Accommodation and general needs claims is not standard by age group or region. For example, the average eligible rent for pensionable age Specified Accommodation in Great Britain (£178 per week) is 55 per cent higher than for general needs provision for the same age group (£115 per week). But the difference ranges from only 31 per cent higher in the South East (£171 compared to £130 per week) to 111 per cent higher in the North East (£201 compared to £95 per week). On average, for working age Housing Benefit claims in Great Britain, eligible rent is 89 per cent higher in Specified Accommodation than general needs

provision. But the difference ranges from 49 per cent higher in London (£322 compared to £217 per week) to 180 per cent higher in the North East (£274 compared to £98 per week).

Table 7.7: Eligible weekly rent for Housing Benefit, Specified Accommodation and general needs provision, by age and region, November 2023

	Working age general needs £ per week	Working age Specified Accom. £ per week	Pension age general needs. £ per week	Pension age Specified Accom. £ per week	All general needs £ per week	All Specified Accom. £ per week
East	£139	£266	£118	£175	£128	£246
East Midlands	£106	£282	£98	£184	£102	£266
London	£217	£322	£164	£226	£195	£304
North East	£98	£274	£95	£201	£96	£255
North West	£109	£256	£102	£152	£105	£227
South East	£153	£264	£130	£171	£141	£239
South West	£128	£258	£110	£168	£118	£238
West Midlands	£117	£247	£106	£177	£111	£236
Yorks. & Humber	£101	£252	£95	£169	£98	£238
England	£146	£267	£118	£176	£132	£247
Scotland	£110	£259	£94	£175	£102	£236
Wales	£115	£252	£107	£206	£111	£240
Great Britain	£141	£266	£115	£178	£128	£247

Source: Department for Work and Pensions, Single Housing Benefit Extract

Funding for accommodation costs

- 7.68 The following section considers the totality of how much the benefits system contributes each year towards the housing costs for all claimants living in supported housing. The estimates combine data from a number of sources including stock estimates, stock composition, and average weekly Housing Benefit awards by age group for Specified Accommodation and non-Specified Accommodation. This latter data is taken from the Department for Work and Pensions Single Housing Benefit Extract for November 2023. The proportion of supported housing residents in receipt of Housing Benefit or Universal Credit Housing Entitlement is also incorporated into the estimates. CORE data on new social lettings in England indicates that 70 per cent of pensionable age and 83 per cent of working age supported housing tenants receive benefits towards their housing costs – equivalent to 74 per cent of all tenants.
- 7.69 The estimates include the costs to the benefits system for funding the accommodation element of all supported housing and this is much wider than just those living in properties classified as Specified Accommodation. For example, the majority of older people's supported housing is categorised as sheltered housing. Much of this is not categorised as Specified Accommodation, for example because the local authority is the landlord or limited care, support or supervision is provided. However, if the tenant is of pensionable age and is on a low income then they can claim Housing Benefit to cover their accommodation costs. These claims are treated as general needs claims under Housing Benefit rules. The costs for this element of supported housing are therefore estimated on the basis of average Housing Benefit awards for pensionable age claims in non-Specified Accommodation (general needs claims).

- 7.70 There will also be a small proportion of working age claimants who live in supported housing which does not meet Specified Accommodation rules and receive help towards their housing costs via the Universal Credit Housing Entitlement. The average Housing Benefit awards for working age general needs accommodation is used as the proxy cost for this group as Universal Credit Housing Entitlement data is not available.
- 7.71 It needs to be remembered that the estimation of costs presented here are not directly comparable to those presented in the 2016 Supported Accommodation Review. This is primarily due to the differences in methodological approaches taken by the two studies. The previous study primarily relied on estimates driven by population weighted sample surveys. This study integrates more robust secondary and administrative data which is now available to underpin the stock estimates. Following the exercise to improve the recording of Specified Accommodation claims on the Single Housing Benefit Extract, detailed information is now also available on the actual number of claims and levels of awards made. This data indicates that the 2016 study, on the basis of the best available data at the time, overestimated the proportion of all supported housing which is within Specified Accommodation rules.
- 7.72 The current study is also able to integrate newly available data, based on all Housing Benefit records, on actual levels of eligible rents and Housing Benefit awards by age group. This includes data for Specified Accommodation and for general needs accommodation. This allows a more robust estimate of the overall costs of supported housing to be derived. The Housing Benefit data indicates that the 2016 study's assumptions, which were based on the best available data at the time, on the average rent for older people in supported housing that falls outside Specified Accommodation rules, previously overestimated these costs.
- 7.73 Average Housing Benefit awards used in the costings calculations are slightly lower than the average eligible rents shown in Table 7.7. This is because Housing Benefit is a means tested benefit which takes into account the household income and circumstances of each individual claimant when deciding how much of eligible rent is awarded. In Great Britain, on average, 99 per cent of eligible rent for working age claimants in Specified Accommodation is awarded as a Housing Benefit payment. For pensionable age claimants in Specified Accommodation, Housing Benefit awards on average cover 95 per cent of eligible rent. For those in non-Specified Accommodation, Housing Benefit will be assessed as general needs provision. In these cases, on average, 89 per cent of eligible rent is awarded for working age claimants and 90 per cent for pensionable age claimants.
- 7.74 Estimates of the annual cost of the accommodation element of supported housing to the benefits system in 2023, primarily through Housing Benefit payments, are provided in Table 7.8. These estimates are based on the average Housing Benefit awards by age group for each nation, for the proportion of supported housing that receives benefits towards their housing costs, calculated separately for claims within Specified Accommodation and non-Specified Accommodation.
- 7.75 Table 7.8 indicates the overall accommodation costs in Great Britain for supported housing is approximately £4.09bn per year. This is in addition to the costs for providing care, support or supervision as set out in Chapter 6, which is estimated to be between £2.11 billion to £4.43 billion per year. Two-thirds of accommodation costs provided by the benefits system are for claims classified as Specified Accommodation. The proportion of all supported housing costs that are for Specified Accommodation is lower in Wales (52 per cent) and Scotland (41 per cent) than in England (69 per cent). In part, this difference is explained by the higher proportion of overall supported

housing that is older people's housing in Scotland and Wales compared to England. Older people's housing is more likely to be non-Specified Accommodation.

Table 7.8 Estimated annualised cost of Housing Benefit and Universal Credit Housing Entitlement for people living in supported housing, Great Britain, 2023

	Specified Accom. £m	Non- Specified Accom. £m	Total £m	Specified Accom. %	Non- Specified Accom. %	Total %
England	£2,502	£1,108	£3,610	69%	31%	100%
Scotland	£106	£152	£258	41%	59%	100%
Wales	£113	£106	£219	52%	48%	100%
Great Britain	£2,721	£1,366	£4,087	67%	33%	100%
England	92%	81%	88%			
Scotland	4%	11%	6%			
Wales	4%	8%	5%			
Great Britain	100%	100%	100%			

Source: Sheffield Hallam estimates

Note: Row and column percentages may not sum due to rounding.

- 7.76 The Housing Benefit data also indicates that the proportion of working age supported housing tenants that fall within Specified Accommodation rules differs by country, and this also impacts on the overall costs of supported housing. In England, working age claimants within Specified Accommodation account for 84 per cent of all working age provision. This is on a par with the estimated proportion of working age tenants in receipt of any benefits to cover their housing costs. In Wales, claims for Specified Accommodation are equivalent to 68 per cent of all provision and in Scotland just 44 per cent of working age supported housing tenants are in properties within Specified Accommodation rules.
- 7.77 Given sheltered housing accounts for the vast majority of older people's housing, Specified Accommodation accounts for only a small proportion of all pensionable age supported housing tenants. Housing Benefit claims within Specified Accommodation rules account for just 12 per cent of all supported housing tenants of pensionable age in England, eight per cent in Wales, and six per cent in Scotland.
- 7.78 Combining the data for tenants as a whole indicates that Specified Accommodation accounts for a higher proportion of all supported housing stock in England (37 per cent) compared to Wales (22 per cent), and Scotland (15 per cent). It needs to be remembered that approximately 26 per cent of all supported housing tenants will not be in receipt of any benefits which contribute towards their housing costs.
- 7.79 A further factor contributing to supported housing costs across the three countries is that a lower proportion of all Specified Accommodation claims in Wales is Exempt Accommodation (64 per cent), compared to Scotland (82 per cent), and England (83 per cent). Exempt Accommodation claims are not subject to maximum rent rules and tend to have higher costs than for other types of Specified Accommodation.
- 7.80 Table 7.9 presents the annual cost to the benefits system for supported housing disaggregated by working age and pensionable age tenants. Whereas 67 per cent of all supported housing stock is for older people's housing, this accounts for just 43 per cent of total accommodation costs (£1.74 billion). This reflects the lower eligible rents in sheltered housing, which makes up the majority of older people's housing, most of which is assessed as general needs accommodation within the Housing Benefit system. Local authorities also act as the landlord for a proportion of sheltered housing

which will also tend to have lower rents. The lower rents in most of older people housing contrasts with higher eligible rents for working age client groups, most of which will be assessed within Specified Accommodation Housing Benefit rules, and for Exempt Accommodation cases will not be subject to maximum rents.

Table 7.9: Estimated annualised cost of Housing Benefit and Universal Credit Housing Entitlement of people living in supported housing, by age group, Great Britain, 2023

	Working age £m	Pension age £m	Total £m	Working age %	Pension age %	Total %
England	£2,135	£1,475	£3,610	59%	41%	100%
Scotland	£115	£143	£258	45%	55%	100%
Wales	£97	£122	£219	44%	56%	100%
Great Britain	£2,347	£1,740	£4,087	57%	43%	100%
England	91%	85%	88%			
Scotland	5%	8%	6%			
Wales	4%	7%	5%			
Great Britain	100%	100%	100%			

Source: Sheffield Hallam estimates

Note: Row and column percentages may not sum to 100% due to rounding.

- 7.81 The calculations for the accommodation costs for supported housing take into account the proportion of all supported housing tenants that are in receipt of Housing Benefit or Universal Credit Housing Entitlement. Given the total estimated costs of supported housing, and the number of supported housing tenants eligible for support towards their housing costs, then the average cost is £8,690 per year per claimant in Great Britain in 2023.
- 7.82 The average cost varies significantly by whether a tenant is of working age or pensionable age. For tenants of working age, the majority of claimants fall within the Specified Accommodation Housing Benefit rules of which 83 per cent is Exempt Accommodation. The average cost of accommodation for working age claimants in Great Britain is £13,310 per year per claimant. If just working age claimants within Specified Accommodation are considered, the cost is £13,660 per claimant per year. This is just over twice the annual cost of a working age claimant in general needs provision.
- 7.83 The average cost of accommodation for pensionable age claimants is £5,910 per year per claimant. For tenants of pensionable age, the majority of claimants live in sheltered housing much of which is categorised as general needs accommodation within Housing Benefit rules. If just pensionable age claimants within Specified Accommodation are considered, the cost is £8,830 per claimant per year. The higher average eligible rent for pensionable age Housing Benefit Specified Accommodation claims is likely to reflect that this tends to be for extra care provision rather than sheltered housing.
- 7.84 The costs of accommodation provided by the benefits system (£4.09 billion per year) do not include the costs for care, support or supervision which are outlined in the previous chapter (between £2.11 billion and £4.43 billion per year).

8 Procurement practices

Introduction

- 8.1 Supported Housing is accommodation where care, support or supervision is provided to help individuals live as independently as possible in the community. These support services are provided by the landlord, someone acting on their behalf or someone acting on behalf of the local authority. In some instances, these housing support services are directly commissioned and funded by local authorities or County Councils (Chapter 2 and Chapter 6).
- 8.2 The evidence presented in Chapter 6 and 7 on rising costs and local government budgetary constraints have increasingly created a challenging funding landscape for local authority commissioners and the providers of supported housing. Competing priorities for limited resources and a sustained period of significant inflationary pressures has impacted on rising costs and workforce issues. These factors alongside increasing demand for services, have all created difficulties in maintaining levels of provision in the sector. As Chapter 5 has shown, there are also significant levels of unmet need.
- 8.3 These funding challenges have contributed to the evolution of procurement practices and commissioning practices. This Chapter sets out some of the common approaches to procurement practices encountered by the local authorities, County Councils and providers which took part in the case studies and in-depth interviews. The following Chapter then discusses various approaches to commissioning practices, how these have changed over time and vary by place.

Approaches to procurement

- 8.4 Commissioning practices are distinctly varied across directorates and local authorities. Our interviews highlight a diversity of procurement approaches employed by different local authorities and County Councils. In addition to open tenders, these include consortia arrangements, framework agreements, negotiated contracts, specifying target prices and spot purchasing. The common features of each of these procurement practices are explained below. It is also evident that the evolution of the procurement environment in recent years has seen multiple ongoing changes being instigated in many local authorities. A number of respondents noted this has included an increasing move towards delivery models predicated on alliance and consortia contracts.

Alliance and consortia procurement contracts

- 8.5 Many respondents gave examples of where alliance and consortia approaches are predominantly being taken to transform homelessness services, commissioned services for those with mental health issues, but are also being used for services for other client types. Alliance contracts are generally larger contracts over extended periods involving pooled budgets. Such contracts require providers to work together to deliver services. Smaller providers may join with larger providers to deliver these

contracts. A small charity operating in a two-tier local authority had witnessed this shift towards commissioning through an alliance structure.

“All the authorities came together, looked at what they were spending on commissioned accommodation essentially and pooled their budget.”
[Homelessness case study]

8.6 It was stated that the shift to alliance contracts is often driven by the need for local authorities to cut costs. Local government medium-term fiscal planning and ensuring value for money were also given as important considerations when services are being reviewed and (re)commissioned. Some areas are responding to these budget challenges by consolidating and rationalising the number of providers they work with. This involves bringing the commissioning of the different elements of the client pathway together and utilising larger alliance contracts for some provision. Respondents felt that these actions could release the workforce, drive efficiency savings, and help to maintain consistent quality standards. However, concerns were also raised that alliance contacts can result in specialisms and smaller, perhaps more innovative providers, being squeezed out.

8.7 Mixed views were expressed across the respondents interviewed as to their varied experiences of alliance contracts. Some providers that are part of pooled budget contracts, reported that their allocation didn't cover all their costs. For example, one homelessness service provider explained that the contract primarily covered support staff with no provision for management time, sick leave or agency staff costs. Many reported how commissioning budgets have remained static and have not kept pace with increasing costs, which have been exacerbated by recent inflation.

“Covid happened, and then this alliance formed and I don't know who or why it was agreed, but essentially it's a 5 + 3 year contract with no inflationary stuff built in at all.” **[Homelessness case study]**

8.8 In another case study area, commissioners reported that having a more flexible mental health alliance contract is proving to be beneficial. It had helped to attract additional funding in the first 12 months of the contract. This additional funding meant that the council is looking to increase the number of transitional bedspaces and dispersed properties for mental health clients by a further 10 units.

“It's really been thriving to be honest and they've attracted so much funding in the first 12 months, everyone wants them to be delivering for them....., they've gone for funding and been able to put a really good case together as the alliance.” **[County Council case study]**

8.9 However, another local authority explained that the consortia approach adopted in their area is not necessarily delivering the level of service required. This local authority is operating a number of homelessness pathways on a consortia approach. They suggested that this may not continue following the next commissioning review due to poor performance by some of the providers, including lead providers.

8.10 Several local authorities were in the midst of reviewing or had recently reviewed supported housing services. This had led to changes in the way that services were commissioned and moving toward different supported housing models and contracts. For example, in one local authority, a review of supported accommodation for young people had recently taken place due to high costs and poor outcomes from provision. The review highlighted that too many young people were being housed via the standard homelessness system. This was often accommodation which was being paid for by Housing Benefit in poor quality private rented accommodation with floating

support. The review had resulted in a shift in provision to a foyer-based model which instead provides a more strengths-based, integrated living model of transitional housing for young homeless people.²⁵ This includes longer periods of housing and support with living skills. The foyer model in this local authority is delivered by a number of approved providers who share a memorandum of understanding agreement. This new housing model has demonstrated reduced turnover and a range of other positive outcomes for young people, as well as cost savings of £1.5 million. The review also led to the age for supported lodgings to be lowered from 18 to 16 plus, with the foyer being one of a range of options available.

Framework agreements

- 8.11 Providers usually go through a formal procurement process to deliver supported housing services. This involves contracts and adherence to the council's governance and monitoring of services delivered. Some providers taking part in research were involved in framework agreements with local authorities. These framework agreements restrict the pool of potential providers to invitations to tender exclusively to those listed within the framework. Framework agreements are often initiated through procurement processes and invite providers to bid for services within specific categories, such as learning disabilities and autism or homelessness services. A number of providers in Scotland also noted an increased move towards framework agreements.
- 8.12 In one case study, it was noted that the local authority had adopted framework agreements to deliver Mental Health and Learning Disabilities supported housing provision and restrict providers to an approved list. This had been developed into a specialist 'Provider Network'. It was felt that this approach was helping to avoid some of the quality issues reported by Housing Benefit teams concerning providers setting up new provision for housing for people with learning disabilities.
- 8.13 To become part of a framework, providers must go through a rigorous and time-consuming tendering process, which often involves creating extensive submissions. Providers are required to align their practices, policies, procedures, and training with the service specifications set by local authorities during the procurement process. However, as one provider noted, in practice, the day-to-day support provided to individuals may sometimes drift away from the initially tightly defined service specifications. They felt that this was justified and pragmatic as their focus as a provider is to meet the immediate needs of the person being supported.

Negotiated contracts

- 8.14 Some local authorities noted they are shifting to developing individual agreements, or negotiated contracts with organisations, rather than tendering out in the marketplace. Negotiated contracts are used, for example where the provider delivering the housing support service is also acting as the landlord. Typically, in these cases the provider will not allow another service provider to work from their buildings.
- 8.15 In negotiated contract awards, there is usually no pre-established tender framework or clear indication of the target price. Instead, the organisation determines the price based on what they believe is necessary to deliver the required service. This may

²⁵ Foyer-based models provide supported housing for young people who are homeless or in housing need. Foyers typically offer support to young people for social skills, life skills, training, education and employment support.

simplify the process but some respondents noted negotiating on a price can also bring challenges.

- 8.16 Negotiated contract awards can be advantageous when a close working relationship exists between the provider and the contracting authority. This approach permits more detailed discussions and collaboration on project specifics, potentially resulting in a more tailored and integrated service delivery model. From a provider's perspective, negotiated contracts can allow them to focus on the project design and integration without the distraction or additional time and costs associated with a formal tendering process.

“We would work with local organisations that we’ve worked with for a significant period of time, we would develop a working agreement with those organisations, they would have their outcomes set, we would pay them a grant to deliver that work.”

[Scotland case study]

- 8.17 In some areas, commissioners are beginning to place obligations under contracts for providers to deliver in-reach support to inpatient sites, for mental health patients. One interviewee within the NHS/Mental health case study noted that the Integrated Care System in their area had recently introduced this obligation in their contracts with supported housing providers “and it’s working well.”

- 8.18 It was suggested by some respondents that the approach to commissioning supported housing for older people is more consistent in comparison to other client groups which may be more reliant on grant funding and short-term commissioning cycles. It was stated that developers of housing for older people also often form partnerships with managing agents after identifying land and approaching commissioners to request nominations agreements.

- 8.19 One case study area noted that in many areas, including their own, there is a broad mix of provision and commissioned services for older people. This council still has a significant portfolio of social housing including older people’s housing. In addition, several Housing Associations are delivering supported housing services for older people across this area, including single operators, and a new consortia group.

- 8.20 It was suggested by some interviewees that the funding source for supported housing can complicate commissioning processes. One provider described the pitfalls of commissioning arrangements when central government funding is involved.

“So, it’s almost like there’s two different types of commissioning arrangements going on depending on where the core source of the funding is. Like I say anything DLUHC, Home Office, MoJ, basically government funding, central government funding is a nightmare and anything that’s directly commissioned by the local authority and hasn’t got that sourced funding behind it is more considered, better considered.” **[County Council case study]**

Spot purchasing

- 8.21 A range of providers and commissioners operating in different parts of Britain noted that increasingly there was a move away from block contracts towards the use of spot purchasing models. Block contracts tend to agree a set price for an agreed standardised service to be delivered for a set volume of clients over an agreement lasting several years. Block contracts can benefit providers as they have a known income stream over a given period reducing transactional costs, increasing stability in services provided, increasing the ability of providers to plan staffing requirements and training, and providing economies of scale. For commissioners, block contracts can

also offer several advantages such as lower unit costs, reduced transactional costs, stability of service provision, and easier ongoing monitoring of the quality of services provided (Harris and White, 2018).

- 8.22 Spot purchasing on the other hand, unlike commissioning block contracts with fixed annual fees, allows local authorities to purchase ad hoc provision for a specific individual for services tailored to their particular needs for an agreed period of time. This allows commissioners to only pay for services as and when they are needed. This can allow greater flexibility in personalising the type of service required for people with very high level or specific needs. Spot purchasing can also mean a local authority pays for a reduced number of clients rather than guaranteeing funding for a number of places annually in any given service. There may be higher transactional costs in arranging and monitoring services which acquired via spot-purchasing arrangements. They may involve multiple providers and unit prices may be higher than similar provision under block contracts.
- 8.23 For some providers, there may be higher risks associated with spot purchasing associated with higher levels of voids or empty bedspaces, and instability of income which impacts on workforce planning and stability or sustainability of provision. Alternatively, for some providers it may allow them greater flexibility in which clients they accept or their ability to shape the service provided to an individual's needs rather than providing a standardised service.
- 8.24 The views of commissioners and providers varied considerably on the effectiveness of such spot purchasing arrangements and at times could be quite contradictory. This inevitably reflects the varied perspectives and individual experience of such arrangements depending on their diverse professional roles, the wide spectrum of organisations, and locations the respondents worked within. Often views were shaped by whether they were on the commissioning side of such a contractual arrangement, or from the commissioned service that may now have to cover, or cut back, on the costs of elements of their provision that was no longer being paid for via a block contract.
- 8.25 Several respondents also stated that there is an increasing level of contention around funding arrangements and that these had sharpened as local authority budgets had been reduced. It was noted that whilst some commissioned services and contracts are being cut resulting in provision decreasing, funding for spot purchasing is increasing.
- 8.26 The examples of spot purchasing given were particularly related to provision of services for homelessness, people with learning disabilities and autistic people, and mental health client groups. In some areas, it was reported that commissioners are at an early stage of exploring spot purchasing as an option for commissioning supported housing services. In other areas, especially for client groups with a mental health illness or learning disability, the practice is much more established and widespread.
- 8.27 Although quality issues and concerns were raised by some commissioners about the use of spot purchasing, others felt quality is not compromised. One commissioner made the clear distinction of spot purchasing working well when it is used with established providers that the local authority already has a longstanding working relationship with. However, they still recognised that it may cause issues for the provider given they only receive some of the funding they might previously had under a block contract arrangement. They also indicated that it is potentially a less viable arrangement with other unknown or new providers.

“...if you've got a provider you work with for ten years and you use them for spot purchase and they're someone that you quality assure and you are happy with, but it's kind of half commissioned isn't it.” **[Local authority case study]**

- 8.28 Respondents frequently brought up instances of ongoing changes to the commissioning process and models which move away from block contracts operating in the areas they worked within. One provider highlighted an example of the entire commissioning process being reconfigured in one County Council area they worked within and that this includes a greater move towards spot purchasing. Commenting on the more positive aspects of the process they indicated there had been a good consultation process and detailed discussions between the districts and County Council. This included consulting on the strategic direction and what supported housing services are required in relation to the needs of different client groups. However, the process highlighted that the County Council and district level priorities are often mismatched.
- 8.29 Some respondents provided specific examples of previously commissioned block funded contracts that are now being decommissioned and moving over to spot purchasing. For example, in one service, people had unwittingly been moved into accommodation from outside the area and the local authority ended up paying for them under a block contract. The local authority shifted to a spot purchasing arrangement which had allowed them greater freedom to target their funding on residents within the service from their community. By moving away from the block contract, this enabled the local authority to stop paying for any people within the accommodation who are from outside the area and who had moved there from other parts of the country.
- 8.30 Several mental health commissioners discussed their use of spot purchasing for mental health clients in their local authorities. One pointed out that spot purchasing in non-commissioned services often end up as being more expensive. Such placements often require more time and resources to broker the specific individual details of placements needed, to ascertain the quality of the service, and to negotiate terms like hours of care and support, the cost and so forth. It was acknowledged by the respondent that there are some very good providers supplying spot purchase services in their area. However, they also noted that some spot providers that had started out as small and dynamic had now grown. The respondent felt that the ethos of these spot providers had changed and that they are increasingly operating like businesses which make considerable amounts of money from the contracts. They contrasted this with the more limited amounts of funding being paid to commissioned providers and services in the area.
- 8.31 Other respondents also noted a shift away from block contracts for people with mental illness as occurring in their localities. The reductions in commissioned provision had led to a “scramble for limited supported living placements”. Respondents observed that increasingly, this is leading to higher need for individual spot purchasing. A number of respondents commented that commissioning for mental health clients is regarded as being “ad hoc” and “reactive” with “less planning for future needs.” in the localities they work within. Several commented that cutting funds for commissioned services is short-sighted and actually increased costs elsewhere in the system.

“I mean again, that's just been about budget reducing and then what you see is the spot purchase going up. So, it's just robbing Peter to pay Paul.” **[Local authority case study]**

- 8.32 The quality of some replacement provision via spot purchasing for certain individuals in some specific locations was also questioned by some. This included whether the

service is able to provide the same quality or outcomes as the previously commissioned services it had replaced. One Foundation Hospital Trust representative felt that some spot purchasing money should instead be redirected into existing buildings and services as this would help stem the flow of clients out into private non-registered providers.

8.33 It was argued by some mental health commissioners that the increase in non-commissioned spot purchased placements is raising spending generally. In one area, gaps in supported housing provision for mental health clients, partly brought about by the end of Supporting People funding, is leading to heavy spending on independent sector placements on a spot purchase basis. Placements are funded from a pooled local authority and NHS budget and spending is increasing by 15 per cent per year. The respondent recognised that if spending continued on this basis they would run out of funds.

8.34 Respondents also discussed other commissioning models being introduced to provide services on a different bespoke funding basis. In one case study area, this included a move towards a new 'hub and spoke' model with more dispersed services. This is particularly being used in regard to refuges and provision for young people in this area.

“They’ve recommissioned [the refuge], but again they’ve brought in more value for money in terms of what they’re trying to get out of the tendering process, and it’s included some dispersed units as well. [The county] has really taken a view that they wanted to update the model of what they were commissioning.” **[Local authority case study]**

8.35 Some providers felt that spot purchasing is very motivated by the need to manage limited budgets and mainly raised concerns about the quality of provision. From a provider perspective, spot purchasing is reported as compromising the quality of the services they provide. This is because it made it challenging to budget for permanent staff, invest in value-added aspects of provision such as the overall environment, activities, and service enhancements.

8.36 Where block contracting is in place, providers are paid a fixed fee and commissioners are concerned with outcomes. Respondents highlighted the benefits of block contract arrangements, including for non-statutory provision. Providers generally felt that the block funding system generally worked well and allowed a stability in income streams to provide a quality and sustainable service. Many respondents suggested that block contracts tended to provide longer-term security of funding and sustainability of supported housing services compared to more individualised or negotiated contracts. Block funding was also felt to be preferable to hours-based commissioning where each time one hour less is delivered, providers must invoice one hour less.

Contracting by the hour

8.37 Some providers discussed having contracts which commissioners fund to provide a specific number of hours of care, support or supervision for a client, but that these hours vary depending on an individual’s particular circumstances. So, for example, individuals within the same older person’s supported housing scheme may each have different hours funded for them. These hours flex as tenants’ support needs change over time or if new tenants move in. In some instances, examples were given of when an individual does not require the specified hours of support in a given week, for example because they are in hospital or away from home, and then the provider does not receive the funding for those hours but will still have staff to pay.

- 8.38 Commissioning based on hours was generally described as challenging by providers in terms of resources and administration, especially where hours were significantly under or over. While there's a clear matrix around what should be delivered this can often vary, for example if the individual goes into hospital 'straight away those hours are reduced and it's just constant.' This is a challenge for support delivery because providers may still be providing emotional support, for example if someone goes into hospital and the staff have already been recruited in the service to deliver support for that person and it's not always possible to deploy staff to another service.
- 8.39 Several providers in Scotland discussed having issues with contracts that are commissioned on an individual hours basis. This included individual negotiations with the local authority on hours of care to be provided and hourly rates per client. They also commented on issues that arise around multiple support providers operating on a different basis for each individual within the same accommodation scheme. This was seen as being a result of a fragmented support structure. In turn, they perceived this as creating a lack of clear responsibility for overall oversight of provision.
- 8.40 Similar complex individual commissioning arrangements were raised by providers within the older people case study. This was noted as an issue especially in relation to Extra Care schemes. These might receive funding for certain hours of commissioned housing support and/or care services for some tenants but not all. The accommodation is funded independently from commissioning funding. Some tenants may not receive any commissioned care or support or fund the support themselves. The complexity of funding arrangements in larger schemes are ultimately linked to the circumstances and needs of every individual within the scheme not the scheme itself.
- 8.41 A distinctly varied model of ownership, management, commissioning and funding broadly reflected the mix of supported housing for older people. Older people housing schemes may have a mix of commissioned spaces, spaces filled through choice-based lettings or self-funded by the resident. Support may be contracted in where other providers are better placed to deliver the specific services required for an individual's needs. Commissioned services also fluctuate and flex over time to reflect the changing needs of the client as their support and care needs change with health and age, as well as reflecting commissioner interests and budgetary pressures.

9 Commissioning practices

Introduction

- 9.1 Rising costs and the availability of funding have had an impact on the commissioning practices, as well as the procurement practices (Chapter 7), of local authorities and County Councils. Changing national and local policy priorities also have a bearing on commissioning models deployed. This leads to varied practices in the commissioning of housing support services by country and by local authority, including which housing support services are prioritised and how they are delivered. This chapter seeks to highlight the evidence collected across the case studies, the Commissioner Survey and the Provider Survey on the varied approaches to commissioning and partnership working between local authorities and providers.

Approaches to commissioning

- 9.2 Commissioning practices vary across different places and different client groups. In some local authorities and County Councils there is evidence of good practice and more holistic approaches. This includes understanding local population need, as well as wider engagement and consultation with a range of stakeholders and providers. Such activities take place as part of the development of plans through the standard commissioning cycle and result in more strategic approaches to sustaining and developing supported housing.
- 9.3 Well managed approaches are usually embedded in housing strategies and other local plans. These plans identify the specialist housing need in the area and how this can be addressed via existing provision or new development of supported housing. Some local authorities are setting up specialist panels and advisory groups to provide frameworks for commissioning supported accommodation services for different client groups. Groups of commissioners made up of multidisciplinary teams are also coming together to manage the housing need, discuss cases and find solutions, by scrutinising and validating any new supported housing provision.

“In the authorities where there are commissioners who have a very well-established relationship with their provider market, they’re able to influence the development of the different types of supported housing models that are coming through by virtue of the needs that they’re understanding of their population...some areas haven’t had that and haven’t started thinking about that until quite recently.” **[NHS/ Mental health case study]**

- 9.4 In many of the case studies, commissioned supported housing provision is generally delivered by a mix of providers with some in-house services. Usually, well-known larger providers operating in an area are commissioned to provide supported housing services. These are often registered providers, such as Housing Associations, or registered charitable sector and voluntary organisations. In some areas, larger ex-council housing stock transfer landlords are also commissioned to provide services.

- 9.5 In addition, many smaller registered providers that operate locally or work with specific client groups are commissioned to provide local supported housing services. Some local authorities also use private landlords to provide supported housing services, but other local authorities indicated they either avoid this practice, or insist that private landlords are working with a registered provider. Other local authority areas stated they choose only to commission services to registered providers as a way of lessening subsidy loss (see Chapter 2 for a detailed explanation of subsidy loss). One local authority commissioner provided an example of the typical mix of providers delivering commissioned services in any given area.

“They’re virtually all Housing Associations. About 20 or 30. There’s probably about three or four which are the main providers [...] that’s different about [this local authority] to some of the other authorities [...] some authorities get involved with private landlords who might provide Specified Accommodation but in [this local authority] it’s very rare, there’s only probably three or four which are not Housing Associations. And those are domestic violence refuges.” **[Local authority case study]**

- 9.6 With a wide range of providers operating in any given area this can lead to overlapping and complex referral routes. There was evidence across many local authorities that technology and the adoption of single access points or gateway systems are being used to improve client management and referrals. These systems are accessible to a range of services and providers.

“In terms of referrals, just in general we’re trying to get to a point where it’s a much easier flow through system of going through different services, [...] so we’re trying to strip that back a bit and make it a lot more simple. The gateway system, the information’s on there, you don’t have to relay it more than once [...]” **[Local authority case study]**

A shift away from traditional delivery models

- 9.7 A number of providers commented on the constant evolution of commissioning practices which were in a state of flux in many areas they worked within. Many stakeholders associated recent changes in commissioning practices with funding pressures but also the emergence of alternative person-centred delivery models. In England, many commissioners referred to the removal of the ringfence for Supporting People funding, which had required them to focus their commissioned services on people with higher levels of need.

“Basically, all the stuff that my team commissions and contract manages used to be part of Supporting People but given that budget context it’s a much more smaller element of that and it’s much more focused now on people that really do have quite high level of needs.” **[Homelessness case study]**

- 9.8 Providers noted they had observed an increase in the complexity of support needs of many client groups. A shift in commissioning practices reflected an increasing awareness of this complexity of need and is resulting in a shift towards different delivery models for provision of short-term transitional services. These included service models which can be deployed more flexibly across client groups with multiple and more complex needs, rather than being commissioned to deliver services for specific client groups. The Provider Survey indicates that 40 per cent of units managed by providers are available for people with multiple complex needs.

- 9.9 Respondents commented that this greater understanding of most clients having multiple support needs or at least a dual diagnosis is resulting in dual diagnosis

services more frequently being commissioned. However, some respondents also suggested that the reduction in spending for supported housing that took place following the ending of the ringfence for Supporting People had also resulted in a loss of funding to support people with particular and complex needs.

- 9.10 There was a shared view among many respondents that there is an increasing move away from traditional supported housing approaches for certain client groups. It was noted that this is especially the case for commissioning practices in relation to homelessness, mental health services, and people with learning disabilities and autistic people. The evolution of commissioning different service delivery models is more advanced in some places than others.

Commissioning of psychologically-informed approaches

- 9.11 One notable shift reported is in relation to the commissioning of homelessness services and that there is a move towards psychologically-informed approaches. This development represents a departure from more traditional homeless provision, such as hostels, and is seen by many as a significant step forward in providing better support and accommodation for individuals experiencing homelessness. In Scotland, these views reflected the policy frameworks promoting Housing First policies.
- 9.12 Many commissioners also stated they require psychologically-informed support within hostels. This approach was increasing the commissioning of housing support that include psychologists as part of the support team. Such changes indicate a growing recognition of the importance of addressing psychological needs of people living within a supported housing context. Providers noted that despite there being limited availability of funds for well-paid specialists, they are increasingly incorporating psychological support services within their contracts and securing funding for psychology related services.
- 9.13 Many respondents also commented on a movement towards commissioning of services which integrate healthcare services with supported accommodation. In the homelessness case study, this included the piloting of a programme that involves a nurse-led team and a social worker working within hostels. The programme aims to provide holistic support for the residents and had been achieved with partial funding from the Integrated Care Board.

Commissioning of person-centred approaches

- 9.14 It was also evident from the interviews that delivery models for supported housing are shifting towards more person-centred approaches when commissioning services for clients, including for those with mental health issues. Several commissioners and health representatives regarded the traditional model for commissioned mental health housing support services as unrealistic for people with severe mental illness.
- 9.15 The model for transitional supported housing is usually based on recovery and the expectation that people will move on after a given period. Many stakeholders commented that many clients have longer-term and/or fluctuating needs which require long-term support. It was noted that such clients do not always require high level support, but do need help with things like correspondence and bills, interaction with medical support services and maintaining medication routines, keeping an eye on the accommodation and assistance with any issues with neighbours.
- 9.16 In one local authority, the council had put significant emphasis on provision of appropriate women-specific accommodation in the area. This aligned with broader

recognition of women's homelessness and the barriers presented by traditional short-term supported accommodation, including dispersed accommodation based on the Housing First model. It should also be noted that claimants that receive support via a Housing First model will often not be in accommodation which meets the requirements of Specified Accommodation rules that care, support or supervision is provided alongside the accommodation. If of working age and receiving floating support, then these claimants will not have their housing costs assessed via the Housing Benefit system and instead will receive housing entitlement through Universal Credit.

- 9.17 In another authority, a supported lodgings model of provision for young people had been developed. This is where households 'host' young people, similar to a foster arrangement. Commissioners at this authority described the city as moving quickly to develop further supported lodgings in comparison to other local authorities where it is not so well established. This local authority had developed an in-house supported lodgings team which is managed by an Arms-length Management Organisation.
- 9.18 More personalised approaches often involve health partners, supported housing providers and support providers working more closely together. Again, many described these as more akin to Housing First models in their ethos. These approaches focus on the home, and then wrapping support around the person as needed. They usually do not require a person to move on after a given time avoiding the disruption and upset this can cause. Increased 'personalisation' within commissioning enables funds allocated to a supported housing service to be spent more flexibly. Accommodation-based support services were seen by some as being far more rigid in terms of contracts and provision.
- 9.19 Personalisation of support was compared by some respondents to the developments within adult social care following the Care Act 2014, as well as Housing First approaches. Respondents from a few case studies commented on the increasing move towards Housing First model across several local authorities. The benefits of this flexible and intensive support model for people with complex support needs were acknowledged by many stakeholders. However, as one provider noted, the benefit should not be at the expense of appropriately funded and supported move-on accommodation.

Commissioning approaches for people with mental health issues

- 9.20 An example was given in one case study of an Integrated Care System which had entered into a tripartite partnership with a registered landlord and a support provider to create a person-centred pathway for mental health patients leaving hospital. The success of this model was illustrated by the fact that not one person had needed an in-patient stay since they moved into the accommodation, and the arrangement had been running for about three years.

"This option means that the support provider is doing that housing piece, so we can work together to make sure that's a success, however they haven't yet actually had to intervene with anybody or do any work with anybody, so it is a really strong model." **[NHS/ Mental health case study]**

- 9.21 Evidence in the case studies also emerged of some Foundation Health Trusts that were exploring the potential of commissioning new supported housing models. These models combined clinical teams working alongside a housing provider and a support provider to deliver care in the community as an alternative to inpatient mental health rehabilitation. Other creative approaches were also being piloted in some areas. In one County Council, the Integrated Care System was running a Trusted Assessor pilot

designed to relieve the pressure on social work resources and overcome the barrier of a lack of social workers to do Section 9 Assessments under the Care Act. These assessments are needed for someone to start on the supported accommodation pathway. It is often the case that providers are unwilling or unable to provide support until a full assessment has been undertaken due to the high risk nature of some patients. Having a Trusted Assessor regularly visiting the wards meant conversations could be had earlier and assessments were more informal as they were undertaken by somebody with whom patients were familiar.

- 9.22 Respondents in one local authority case study detailed how the NHS Intensive Support Function had been identified as a useful funding stream which can be used to facilitate pathways into supported housing. The commissioning officer described this fund as having emerged in recent years to respond to the growing demand for support services for people with learning disabilities, autistic people and mental health issues to help them. The funding available through the Intensive Support Function aims to enable people to experience a good quality of life in the community and reduce hospital admissions or care in institutions. The funding goes directly to the provider and was described as 'a back way in' to commissioning a service and is often used by social workers.

Commissioning approaches for people with learning disabilities and autistic people

- 9.23 Several respondents commented on the need for more flexible commissioning and delivery models which reduce the costs of voids. Voids often arise for a property, or room within a shared property, which can remain empty for some time given the specialised nature of the provision. It was stressed by respondents that supported housing is not the same as general needs provision where the next person on the waiting list can be allocated to any empty property available.
- 9.24 Several providers specifically mentioned voids as an issue for shared housing schemes which are commissioned to provide supported accommodation for people with learning disabilities and autistic people. The providers explained the importance of matching tenants carefully depending on needs, age and interests/personalities. This matching process was important for maintaining stability for the existing tenants as well as a resident entering a new tenancy in the shared property. This meant that shared properties were more likely to have voids and several providers mentioned often having empty rooms in such properties.

“[...] so, we're going to people at the local authority who deal with Learning Disability referrals to say we have a spare room in shared accommodation and we need a referral....and sometimes the process is slow and as a result when we put our business heads on, we want to support these people but at the same time we are trying to run a business and we are finding that we are having to meet the void loss.”

[Local authority case study]

- 9.25 One provider within the County Council case study described the shared house model of provision for people with learning disabilities as 'an outdated concept now'. Reasons given included the aforementioned difficulties with matching tenants but also the current aim to promote independence and optimise wellbeing. Accordingly, this provider asserted that if they were to build for people with learning disabilities now, they would build a larger scheme with self-contained flats.

Commissioning approaches in Scotland

- 9.26 The Social Care (Self-Directed Support) (Scotland) Act 2013 has had significant implications for the commissioning of supported housing for people with social care

needs in Scotland. The Act aims to empower individuals with social care needs to have more control over the support and services they receive. Rather than employing block contracts, support services tend to be procured by establishing an hourly rate in coordination with the local authority, followed by the acquisition of care packages tailored to individual needs. This introduces a person-centred approach to social care, emphasising choice and flexibility.

- 9.27 Health and Social Care Partnerships, which operate in every local authority across Scotland, also have a pivotal role in commissioning supported housing services for adults and older people. These Partnerships aim to bridge the gap between healthcare and social care. Providers commented that this provides a more holistic and joined-up approach than was previously the case in Scotland, and is currently the case in England, where separate commissioning responsibilities sit within two distinct health and social care systems.
- 9.28 Some providers in Scotland perceived the practice of re-tendering commissioned services as primarily being a cost-saving exercise. They commented that some local authorities frequently re-tendered contracts to secure services at a lower price. They discussed the varying scoring matrices which are employed by different local authorities to evaluate and select bids during the re-tendering process. These matrices define the weight assigned to factors such as quality and price in the evaluation process.
- 9.29 For instance, examples were given of contracts that prioritise quality by assigning a higher weight for this relative to price. Other local authorities place more emphasis on price over quality in a scoring matrix to decide the winning tender. Some providers commented that this latter scenario led to situations where the lowest bid, regardless of its quality, wins the contract. Providers may therefore end up prioritising offering lower prices to secure contracts, potentially at the expense of service quality. This practice is perceived by some respondents to favour larger providers who may have the capacity to undercut their competitors and secure contracts at lower prices.

“And then you will have different differentials of quality to price ratio across the commissions. So, the scoring matrix for the tender response. Some will be 80 per cent quality, 20 per cent price. I've seen 60 per cent quality, 40 per cent price. Which means that the lowest bid will win regardless of the quality.” **[Scotland case study]**

Commissioning approaches in Wales

- 9.30 Most of the supported housing services in Wales are directly commissioned by local authorities and Health and Social Care Boards. Chapter 2 provided an overview of the Housing Support Grant which provides the funding mechanism and guidance for commissioning services in Wales. Grant funding is distributed annually to local authorities (via a historic formula) to plan and commission appropriate housing-related support services from the third sector and Registered Social Landlords. Non-commissioned services and non-registered providers were less of a contentious issue for the respondents who took part in the in-depth interviews.
- 9.31 Many of the respondents in the Welsh case study tended to discuss commissioning processes in relation to the operation of the Housing Support Grant. In the main, the respondents tended to focus on the extent of the Housing Support Grant's inability to keep up with rising costs – especially in relation to inflationary pressures and rising staffing costs – and that this is impacting on the services that could be delivered within the costing envelope (Chapter 5).

“Whilst there has been significant progress in terms of lengths of contracts, which enables more long-term and effective planning/commitment, inflationary uplifts have been disregarded meaning recruitment and retention of staff is a business-critical risk. Commissioning practice in Wales requires us to put 20 per cent of staffing into our Service Charges (80 per cent (max) being funded by Housing Support Grant).”

[Welsh Case Study]

- 9.32 Some respondents commented on relatively stable long-term approaches to commissioning services in Wales for people with learning disabilities and mental health issues. For some, this reflected their position in the market and that gradual shifts in policy direction over time which contextualised the landscape of provision today. Significant growth in the sector had occurred in response to previous policy initiatives aimed at transitioning people from long-stay hospital care into the community.

“A lot of it is historic really, it’s what we’ve been commissioned to do, we’ve always been very much led by what the local authorities ask us to do. The mental health supported accommodation dates back to community care really and closure of the large psychiatric hospitals [...] The property that we provide to the local authorities for people with learning disabilities where we’re not the direct provider, that dates back to community care, this is like social welfare history to many people.” **[Welsh Case Study]**

- 9.33 Contemporaneously, the overarching aim to reduce and avoid homelessness, to address increasing complexity and severity of need, and to provide more person-centred approaches are noted by some respondents as the defining aspects of current commissioning practices in Wales. A move towards more rapid rehousing approaches for homelessness was also mentioned as a growing commissioning strategy. Person-centred approaches were mentioned as being critical in terms of scaling up quality and quantity of provision in Wales to meet burgeoning demand and the complex needs of clients. At the same time, supported housing policy in Wales was seen by some as being incompatible with Housing Benefit legislation.

“Support is person centred, aimed at supporting people to secure and maintain sustainable housing by addressing their support needs. The services are provided through a combination of supported accommodation services, floating support services, outreach, and accessible drop-in service models.” **[Welsh Local Authority]**

“Clarity over policy making is also crucial. When there is a perception of change of direction it leads to uncertainty which, when landlords are making financial decisions based on 20-30 years models, can discourage investment. Welsh Governments signalled direction of travel to rapid rehousing [which] has caused some concern within Wales as it remains unclear what it means to current and future developments.” **[Welsh Local Authority]**

- 9.34 The length of commissioning cycles was also regularly commented on by providers in Wales as being too short. It was reported that this discouraged investment or development of innovative services. These views also echoed many of the concerns voiced by providers across the three nations in relation to the length of commissioning cycles (see below).

“Many contracts are relatively short term, 3-4 years. This makes longer-term investment in properties more difficult. If commissioning cycles were longer, organisations could plan longer term knowing that they have security of tenure.” **[Welsh provider]**

“Commissioning practice can be very rigid within a framework of short(ish)-term contracts. They do not promote innovative working practises as providers are too focussed on ticking boxes to try to assure their funding.” **[Welsh provider]**

- 9.35 The Housing Support Grant was seen by many as providing a more protected and centralised funding mechanism for commissioning supported housing services. However, many respondents questioned if the Housing Support Grant in Wales is at a sufficient level to keep up with the ever-increasing demand for services they were observing. Some providers also raised examples of where they had experienced it being operationalised in very different ways across various local authorities.

“However, there is lots of variance between the 11 local authorities we work with around commissioning. Commissioning works best when a clear need has been identified and a defined purpose articulated and agreed.” **[Welsh Case Study]**

“There is no consistency of funding across Wales. From speaking to colleagues in [place name], it is normal to cover all staffing costs within grant whereas this is not the case in [place name] (generally an 80:20 split).” **[Welsh Case Study]**

Commissioning cycles

- 9.36 Many respondents noted that commissioning cycle lengths vary by area and client type. Often, contracts tended to be between three to five years, with an option to extend contracts with a series of one-year extensions. Some commissioners stated they are looking to align contract lengths with needs identified in the area. One local authority provided examples of their approach for commissioning extra-care housing which typically varied the lengths of contract for this group from between five to ten years. The approach taken for contract length depended on the individual scheme including discussions with the tenants about their views on the quality of the service provided and whether they wished to stay with that provider.

- 9.37 Extensions for contracts were reported as being used in some of the case studies to maintain stability of service. However, this is not a standard approach across all the case study areas. Some providers noted they have contracts with a maximum extension limit of two years. Beyond this point, irrespective of the service provider's performance, these contracts mandate that the service must be re-tendered, inviting new bids and potentially new providers. In other areas, respondents reported instances with contract terms that are not defined or set in stone, which allows for continuous extensions without the need for re-tendering. In such cases, the service provider often continues to deliver their services without any clear end date in sight.

“Lack of funding at local authorities result in lack of commitment for long-term contracts - we seem to have fallen into a cycle of annual review of contract which leaves the provider at risk.” **[Scottish provider]**

- 9.38 One provider explained that they had recently had over half of their contracts temporarily extended rather than re-commissioned. This is the highest rate of contract extensions that they had ever experienced. The respondent suggested that this may reflect significant funding restrictions in place across many local authorities. Others commented that re-commissioning cycles had been interrupted during the Covid pandemic. This had led to a greater reluctance to change providers since then which meant that re-tendering for services is less common.

- 9.39 The fast pace of changing need within short-term supported accommodation had also led some commissioners to consider the adaptability of contracts to changing need. They recognised this may create tensions between their need to have greater flexibility

to extend contract length but at the same time to meet the needs of both the clients and providers.

“[...] we’ve thought about commissioning contracts previously for eight years +3+1 or whatever, we’re thinking now what do we need to do or change or be different to make that contract a lot more flexible and adaptable to the needs and the demand and the change as we go through things.” **[Local authority case study]**

- 9.40 Many providers across all three nations raised concerns in relation to their ability to plan and deliver quality services when only short-term income streams can be secured via short-term contracts. Short commissioning cycles were also described as inhibiting providers from investing in properties long-term. Providers generally expressed a preference for longer commissioning cycle lengths and that short-term cycles or annual reviews leave providers feeling at risk. One provider in Wales commented that short-term contracts are contrary to delivering the aims of the Housing Support Grant Guidance, which recognises provision of security and stability of housing as being critical for the service user. One Welsh provider described how the allocation of the Housing Support Grant, status of funding without inflationary uplifts, and short-term commissioning cycles were all impacting on their ability to develop new services and to sustain provision in the long-term.

“[the] grant does not keep pace. Housing Support Grant re-tendering cycles and short-term contracting impacts negatively on corporate confidence in future service viability and opening new services.” **[Wales case study]**

- 9.41 Short-term contracting cycles were felt by many providers to be precarious and cause disruption in their ability to deliver supported housing in the longer term. More frequent bidding for shorter-term contracts disproportionately takes time and resources away from frontline service delivery to prepare tenders. Brief funding cycles were described as creating enormous levels of work for both commissioners and providers as they are regularly required to demonstrate value for money and outcomes. This was described as placing additional costs and demands on already strained services, as well as causing uncertainty for service users and their families who don’t know what will happen to them every five years.
- 9.42 One provider reflected that responding to commissioning processes with local authorities had led to clearer procurement procedures within their own organisation. They gained a better understanding of their costs, their budgets have clearer ceilings, and they approach tendering processes with a focus on quality. This reflected comments from other providers that said some are now withdrawing from tenders which undermined the quality of provision due to contracts which could not be delivered within the funding available.
- 9.43 One Welsh provider suggested that many local authorities needed to re-examine their approach to contract lengths and that this issue had frequently been raised by providers during consultations for the implementation of Supporting People in 2012 and the Housing Support Grant in 2019. Concerns centred on the ability of providers to deliver long-term care and enable people to achieve positive outcomes if contract lengths were too short or unstable. However, this provider also raised concerns as to the feasibility of taking a longer-term approach given the context of diminishing resources.

“I’m getting a vibe that some local authorities are going to be looking at that again, but you’ve got all the issue about pressure on social services budgets, where does the money come from if the service is still needed?” **[Wales case study]**

- 9.44 Furthermore, it was noted by commissioners that short-term cycles also create a burden for commissioners, procurement teams and others involved in the process. Other participants in the case studies echoed these concerns in relation to government grant opportunities, where there was limited time for quality checks and the stringent process applied to general commissioning work.
- 9.45 Commissioners recognised the challenges and uncertainties involved in the procurement process for all parties involved. Both commissioners and providers agreed that a general move towards longer commissioning cycles is a positive step, which leads to greater stability in the supported accommodation on offer. However, it was stressed by many that whilst longer-term contracts can facilitate proper planning and enable staff development the arrangements often do not build in sufficient inflationary uplifts especially when contracts run over several years. This can result in a contract that may already only just be at breakeven rapidly become loss making within a year or two, if an inflationary uplift has not been built in.
- 9.46 Some commissioners suggested that longer contract periods with break clauses, which allow the council to terminate any contract when the performance is unsatisfactory, would be preferable. This change would provide more stability of income for organisations delivering support services, reduce the disruption and costs involved with frequent contract extensions or retendering processes, and would also benefit tenants by providing a better security of tenancy.

Move-on accommodation

- 9.47 Across case studies and in the surveys, many commissioners and providers repeatedly raised issues about the significant problems that a lack of move-on accommodation presents to the supported housing system. Suitable move-on accommodation can provide a stepping-stone between supported housing and hostels towards more independent living in the community. Some move-on accommodation may still be a form of supported housing but where a lower level of support services are provided as step close to independence. Other move-on accommodation may be mainstream affordable housing which is accessible given an individuals' means and capabilities and where they may still receive ongoing floating support.
- 9.48 Many reflected on the lack of stable suitable move-on accommodation for people with complex needs, those experiencing repeated homelessness, and those with mental health issues; all of whom can benefit from a more person-centred approach which includes pathways to move-on and long-term accommodation. The lack of move-on accommodation was seen as creating significant blockages in the system and resulting in a repeated need for supported housing for some people with complex needs, as there was limited alternative provision for them.

“Priorities are finding accommodation for people with need, followed by finding appropriate accommodation to meet their specific needs, followed by finding permanent, settled and affordable move-on accommodation to prevent bed-blocking and enable spaces for new residents with support needs.” **[Housing Benefit team]**

- 9.49 Many respondents reflected that the lack of move-on accommodation is a consequence of long-term shortages in the supply of suitable alternative affordable accommodation, particularly one bedroom flats, in their area, and especially the lack of properties available at the level of rents covered by the current Local Housing Allowance rates. The level of Local Housing Allowance rates was reduced from the

50th percentile of local market rents to the 30th percentile from 2011 as part of Welfare Reform. Between 2016 and 2020 rates were frozen, with Targeted Affordability Funding in areas where there was the greatest divergence between Local Housing Allowance rates and local rents. Rates were increased to the 30th percentile in 2020 in response to Covid-19. In recognition of the upward pressure in rents government increased Local Housing Allowance rates to the 30th percentile of local market rents in 2024/25 from April 2024 as part of the Autumn Statement in 2023.

“[...] all short-term accommodation is full to capacity with little move-on which is of course having a knock on effect when people are ready to move.” **[Commissioner]**

“The additional problem of limited move-on means that people may still be in the accommodation at the end of their support plans which will mean no eligibility to Housing Benefit. Whilst it is the right thing for expensive supported housing to be used by those that most need it, providers will be struggling to move people on into appropriate accommodation and find the service user coming back at a later date.” **[Provider]**

“Lack of move-on from supported accommodation due to shortfall in Local Housing Allowance rates vs market rents, which means that people are often unable to move-on from the supported accommodation provision.” **[Provider]**

- 9.50 Broadly speaking, the options for moving on from supported housing were seen as private rented tenancies, with some floating support options. Some commissioners commented on the growing number of people with multiple and complex needs who are not ready for move-on accommodation even in the longer term. Furthermore, some respondents raised questions about the positioning of Housing First as a universal alternative to hostels. It was felt by some that this is not always a suitable model for people in need of supported housing for repeated homelessness or complex needs.

“Service users with multiple and complex needs are presenting in a greater number. This has resulted in a growing number of service users not ready for move-on and a 'silting-up' of existing services.” **[Commissioner]**

- 9.51 Other providers discussed how they worked with residents to move them into their own accommodation as soon as they were ready to live more independently and that this was often at the stage when they were able to look for work. However, this was discussed as a catch-22 situation, in that people can only afford to move into their own accommodation once they found work. Other providers discussed their practice of setting affordable rents at Local Housing Allowance rates from the start of a tenancy so that residents could continue living in the accommodation when they no longer needed support. This approach is more feasible in Scotland under a Housing First model of delivery.
- 9.52 Some providers felt that there was a gap in Commissioner understanding of the role of housing support in enhanced housing services, as distinct from basic housing management. This situation was complicated by reductions in funding and the differing definitions of what constituted intensive housing management. One provider suggested there might be a problem of training and recruiting staff into strategic commissioning roles where housing and housing-related support remained misunderstood and undervalued.
- 9.53 The increasing number of new providers and schemes, alongside the increasingly complex nature of housing benefit claims and rent negotiations, was seen as placing additional burdens on local authorities. In one case study, real estate investment trusts

and providers had been working together to maximise rents and provide accommodation in the area without consultation with the local authority. Some schemes had progressed against the local authority's recommendations. This was proving to be extremely resource intensive for the Housing Benefit team to manage including dealing with all the appeals processes.

- 9.54 Funding from the Supported Housing Improvement Programme (see Chapter 2) was being used in some areas to increase staff capacity. This included providing additional Housing Benefit officers, as well as a private sector role to undertake property inspections, and an adult social care safeguarding assistant.
- 9.55 In one Foundation Trust, the turnover and lack of continuity of commissioners was regarded as problematic because it was holding back a review of the NHS pathway services. New commissioners continually coming in, changing things, and then leaving was seen as unhelpful. What was lacking was “an overarching focus” to drive everything forward.

“[...] we've had about five different commissioners in the time that I've been in the team, and they've rarely seemed to stay beyond a couple of years. So, you come, you give them all the work, you tell them what there is, you give them all the figures, the facts, the spend. They say, Yeah, this is brilliant, we need to do something about this. And then they're gone again.” **[NHS/ Mental Health case study]**

Co-commissioning approaches

- 9.56 Awareness of co-commissioning of supported housing services or the extent that this happens varies substantially by place. In some areas the practice is well established whilst in others it is seen as a relatively new avenue to explore. There is evidence across the case studies that commissioners are working with NHS partners in a variety of ways including through integrated commissioning teams or Integrated Care Boards. Often partnership working is used to deliver parts of the wider services associated with supported housing, including referral pathways, rather than direct co-commissioning of the supported housing itself. That said, there are examples in the cases studies of some providers delivering jointly commissioned supported housing contracts across the country that are jointly funded by local authorities, the NHS, and Ministry of Justice.
- 9.57 Several respondents commented on their experience of partnership working between health and housing professionals. Many felt that this is helping to remove silos and organisational barriers. For example, it is becoming more common for the NHS and social care colleagues to be embedded in housing teams; to have employment contracts with both organisations and for colleagues from both organisations to be part of multi-disciplinary teams. In one County Council with an integrated commissioning team, the accommodation plan involved looking at all services related to supported housing across public health, the Integrated Care Board, and examining local authority data to examine where demand is coming from.
- 9.58 Whilst most supported housing continues to be commissioned by local authorities, there is an increasing recognition that the NHS has an important role to play. Health professionals interviewed often mentioned the fact that whilst local authorities want health to contribute more to supported housing provision, this would require a “seismic shift in budgets” **[NHS/ Mental Health case study]**. Growing involvement of the health sector in the commissioning of supported accommodation services is clearly evident in some of the case studies. Often this in relation to clients with mental health needs. This is exemplified in the NHS and Mental Health case study where a large care and

support provider in the NHS detailed a range of contracts they hold to deliver supported housing services.

“The support contracts we’ve got, or care contracts, they’re all commissioned by either local government or increasingly the NHS, that’s CCGs or the new integrated care systems [...] and some direct commissioning relationships with some NHS mental health trusts as well.” **[NHS/ Mental Health case study]**

- 9.59 Local authorities have statutory responsibilities to care for high needs patients, who have severe conditions which may put them in imminent danger, including those with mental illness and learning disabilities. Some patients with mental illness are entitled to free aftercare services if they have been detained under certain parts of Section 117 of the Mental Health Act 1983. Supported accommodation services are therefore commonly seen as an integral part of the Section 117 offer. Respondents generally felt that a move to more integration between housing support and health is beneficial for clients requiring support to live independently in the community, and for providers delivering community-based support. Many interviewees commented on the increase in demand for such services and that there is a growing number of people leaving mental health wards or other institutions who need supported housing to live safely in the community.
- 9.60 In one case study, a small provider had been working collaboratively with their NHS Foundation Trust for several years. The provider hosted and employed a multi-disciplinary team of staff working across the borough with residents experiencing (or who had experienced) a severe and enduring mental illness. The specialist team provides help with resolving accommodation and support needs, working closely with agencies such as the police, housing, probation, drug and alcohol, and other support services. The key aim of the service is to detect and address problems early to prevent crisis and to support tenants into settled accommodation and sustainable tenancies.
- 9.61 Other examples of creative joint working included a joint pilot project between the council, the NHS and Citizen’s Advice, with specialist advice staff coming onto hospital wards to advise mental health patients about making a transition to living in the community. This project has been successful, and the council are looking to continue funding it. In another area, a partnership arrangement between the Health Trust and four local providers had evolved - three of these are registered providers and the other a private landlord. This arrangement was helping the providers to underwrite risks and losses associated with voids and nomination agreements. This small pilot draws on good practice from some supported accommodation models that are underway in other parts of the country, and the local commissioners have an ambition to expand the scheme in their area.
- 9.62 Whilst integration is an ambition in many of the case study areas, it was acknowledged that the current structure of the mental health and housing sectors means that it is far from a reality in many parts of the country.
- “We’ve got some ambitions about how we bring housing expertise into our mental health teams, so thinking about processes, systems, workers, co-location of workforce between housing authorities and health teams and we’ve also got some ambitions about how we develop and deliver certain models of supported housing.” **[NHS/ Mental Health case study]**
- 9.63 The NHS and Mental Health case study provided many examples of NHS staff working closely with housing teams and providers across a number of local authority areas. This included them advising on, and overseeing, mental health placements for people

with severe mental illness through housing panels and the co-facilitation of these forums.

- 9.64 There was evidence of Integrated Care Systems in some areas sharing delivery plans involving both the mental health teams and housing departments, and teams working together to deliver mental health transformation programmes. This included an example of one Integrated Care System, which has a working group consisting of local authorities, sitting alongside NHS commissioning colleagues and providers in an attempt to deliver a mental health and housing strategy. There was evidence that in some of the more integrated authorities spoken to there are established working arrangements in place between the council and Integrated Care Board, and that this included integrated commissioning units. However, this is by no means the situation everywhere.

Co-commissioning or partnership working?

- 9.65 There is evidence of a growing shared understanding of the value of housing, and that the importance of adequate supported housing is one of the central reasons for co-commissioning. However, whilst there is evidence across many case studies of a move towards more collaborative approaches, greater partnership working or a move towards more integrated or co-ordinated commissioning, it is less clear how common actual co-commissioning is. Where examples of effective joint working were given, it was felt that effective sharing of resources across health and housing delivered better outcomes for clients and staff.

“[...] the stats show that the outcomes for the individuals are so much better, that the outcomes for the staff are so much better, in terms of stress, anxiety about what to do with people, staff effectiveness. So yeah, absolutely we should be co-commissioning, collaborative commissioning.” **[NHS/ Mental Health case study]**

“[...] we’ve got other services where we’ve got great informal relationships where CPNs [Community Psychiatric Nurses] will come down and do a surgery, they’ll see people at the site [...] you’ve got much more chance of seeing someone who’s got mental health problems in the place where they live than sending continuous letters for appointments.” **[Provider case study]**

- 9.66 To some extent, without meaningful shifts in budgets, co-commissioning remains an aspiration rather than a reality in many areas. For example, in one Foundation Trust it was felt that co-commissioning was not fully on the agenda and the focus is on trying to sort out how to split funding between health and social care. In another Trust, the County Council and Integrated Care System, jointly manage Section 117 cases and most placements are 50/50 funded. However, this was viewed as a rather transactional arrangement in terms of legal obligation rather than actively co-commissioning services.
- 9.67 Such joint funding arrangements are a contentious issue in some of the case study areas. Some respondents reported tensions around who is responsible for what bit of provision, including for Section 117 placements, and around what constitutes health and social care. Stakeholders commented that in their locality, there are often problems relating to the allocation of responsibility for placements between the NHS and local authority commissioners. Other examples were given of issues arising concerning who held budget responsibility for residents when they had transferred from one local authority to another.
- 9.68 In another Foundation Health Trust, they indicated funding arrangements are currently under review because the current system in place does not work well for clients,

commissioners, or providers. The proposed new system intends to move budgets from the Trust to a new local authority commissioner for mental health and learning disabilities. The new process is seeking to change funding arrangements that have been in place for around ten years and the process of change can be challenging.

- 9.69 In another local authority, limited examples of co-commissioning were provided. Although this local authority is working more closely with the NHS it was felt that an inconsistent approach is being taken and progress on enacting change is slow. While working agreements between health, social care and housing are in place in this local authority, a commissioner with decades of experience in commissioning reported a lack of progress. Providers across other case studies also shared mixed experiences of co-commissioning and frequently described the process as hugely inconsistent and being reliant on individuals who are committed to the process.

“So there’s a tripartite agreement between health, social care and housing so it’s probably more developed than in a lot of areas but it’s still not that developed I would say. I’ve been in the industry quite a few years, probably getting on for 30 years, unfortunately I hear the same discussions.” **[Local authority case study]**

“[success is] subject to enthusiastic individuals who are solution focused and can see the potential.” **[Provider case study]**

- 9.70 Co-commissioning with the NHS was described by many respondents as being very complex and consequently, off-putting. Often commissioners on either side struggle to agree responsibilities or sharing of budgetary arrangements. One provider acknowledged that NHS grant funding is available but had not applied due to the complexity of accessing the funds. Respondents working with young people in this same local authority also described the process as being similar to sharing resources between departments, rather than actual co-commissioning.
- 9.71 There was some suggestion by some respondents that the NHS had demonstrated poor and risky commissioning practices on a few occasions. This included examples of the NHS withdrawing from contracts at the last minute after previously leading on co-commissioned developments. Given the long lead in times for new schemes, this had left providers who had already committed substantial funds to the new schemes with a substantial financial burden.
- 9.72 More positive experiences of co-commissioning were relayed by several respondents across various case studies. This included the experience of one mental health commissioner who detailed that supported housing is commissioned through a combination of routes in their local authority. This included the local authority mental health commissioner, the former Clinical Commissioning Group as health provision, and increasingly through a combination of the two. This latter role for co-commissioning joint packages of care is increasingly being used by them for commissioning supported housing services for people with very complex needs.
- 9.73 Other respondents provided positive examples of co-commissioned provision via a hospital discharge scheme, and a supported housing scheme for mental health patients located on a hospital site. It was felt that the latter scheme is having a positive impact on the individuals accessing supported housing though this route, but the respondent acknowledged that it is a complex system to manage. London was also cited by several respondents across different case studies as providing good examples of true joint or co-commissioning although many respondents acknowledged these to be rare overall.

- 9.74 Overall, across the case study areas, there was a sense that no area had got arrangements with funding quite right. According to many respondents, co-commissioning appeared to be limited to conversations and dominated by short-term views about spending. It was suggested that if a longer-term view of budget responsibilities is taken by the NHS then substantial costs could be saved further down the line, with hospital discharge cited as a frequent example.

Partnership working

Relationships between commissioners and providers

- 9.75 Many commissioning teams across a wide range of local authorities reported that they have good relationships with most major providers of supported housing in their area. In many, their relationships with key providers are often longstanding. Many commissioners stated they maintain a regular dialogue with providers concerning the level and types of demand for services that need to be addressed locally. Commissioners reported they tend to establish connections with landlords at an early stage of the commissioning process and maintain communication throughout. This includes receiving updates on new developments and housing allocations even before construction begins. Proactive communication and collaboration appear to be an integral part of many commissioners' working relationships with providers.
- 9.76 In some of the case studies, there is evidence that relationships between different organisations, teams, and individuals can be complex. These relationships are more varied in areas with more complex governance structures – for example across a Combined Authority or County Council area. In one case study, interviews were undertaken across local authorities and providers within a Combined Authority area. The providers reported good relationships with the local commissioners but noted that these are often stronger with those based in the district council which covers the main city within the area rather than with the County Council.
- 9.77 When providers commented on less successful relationships with commissioners, they often raised issues related to commissioners working in siloes. Sometimes this is because different commissioners are responsible for different types of client groups. Other providers perceived that it is the working style of some individuals, or an individual's approach to the role of a commissioner, that may limit opportunities for partnership working with some local authorities. This can mean a provider can have very effective relationships as a trusted provider within a local authority with the commissioning team for one client group, and yet this is not replicated for the commissioning teams dealing with different client groups. Other providers expressed frustrations working certain local authorities that they perceived as having piecemeal approaches to commissioning activities. However, it was noted that several local authorities had improved their approach to commissioning over time including increasingly sharing more information with providers to enable better decision-making processes to be developed.
- 9.78 Other respondents gave examples of recent positive developments in their relationships with commissioners. One provider noted they had put significant resources into improving working relationships with one particular local authority. This included developing new supported housing provision in the area. The improvement in partnership working was attributed by the provider, in part, to demonstrating the effectiveness of their provision model. This had led to the commissioners recognising that the provider is a valuable asset to have as a respected strategic partner. The provider stated that taking a pro-active approach to partnership building with local

commissioners is crucial not only for sustaining existing provision but developing new provision. The provider attributed success in developing such relationships to the size and breadth of experience across the organisation.

“So, in the areas where we’ve got really strong relationships they’ll come and talk to us about the model, about the money they’ve got and we’ll help them shape the specification and that sort of stuff [...] we’re not just long armed organisations that commissioners get in touch with when they’re about to do a market research event or launch a tender- that’s too far down the line.” **[Provider case study]**

- 9.79 In another case study, respondents stated that changes in local commissioning practices are leading to a more collaborative approach between commissioners and a range of providers. This included commissioners changing their approach to the procurement of housing support services for mental health clients. Subsequently, this is reducing the amount of services that are going out for re-tender. One large support provider attributed this as a key factor in their development of a closer relationship and more effective partnership working between their organisation and the local commissioners. This change in approach to procurement had resulted in positive impacts on their operation model. Whereas three years prior about 80 per cent of their business came through tendering, now they only needed to tender for around 20 per cent of the commissioned services they provide.
- 9.80 The value of collaborative working was also emphasised by numerous respondents. It was seen as a vehicle for providers to share ideas, assets and services to help problem solve and arrive at solutions for specific needs as they emerge. Respondents in several cases studies stated that effective working practices vary notably across local authorities. Many respondents perceived this to be largely driven by the approach of commissioning teams and their relationships with Housing Benefit teams or wider departments. Some providers shared their frustration of instances where significant progress had been made in the development of services, but that these had then been dismantled. Often, this reflected new incoming leadership in a commissioning team or the reorganisation of local authority commissioning or procurement services.
- 9.81 Many examples of good relationships between commissioners and providers were provided across the case studies. This included good practice for data sharing and development of information infrastructure. For example, some local authorities are building shared databases to hold support plans, reviews, and a range of other information which enable quality checks and strategic planning to be undertaken. Respondents from one large provider organisation reported that at least four local authorities they worked with had adopted this shared data approach. The benefits of collaborative working and data sharing were emphasised by other respondents who noted that the greatest challenge they face in some areas they work within is collecting and producing evidence to support applications to Housing Benefit teams. Some respondents mentioned it could take over a year to reach an agreement in some instances. Furthermore, gaps in evidence and a lack of communication or collaboration with providers was reported by some as undermining effective commissioning.
- 9.82 Both providers and commissioners placed a lot of emphasis on the importance of having an effective commissioning strategy and the role of senior strategic commitments to supported housing for different client groups. Having a strategic commitment to certain types of provision was more effective in delivering engagement and collaboration with providers to meet local needs. Across various case studies, several providers and commissioners particularly emphasised the importance of the role of council members within these influential and strategic relationships.

Relationships between commissioners and Housing Benefit teams

9.83 Many stakeholders held varied views on the quality of the relationships and dialogue between commissioners and Housing Benefit teams across many of the local authorities. In some areas, respondents felt that the relationship is virtually non-existent. But in other areas the respondents characterised the relationship as being productive and more proactive approaches to collaboration had been achieved over recent years.

“What we tend to have is a discussion with Housing Benefit around what would be acceptable to be included in charges and we’ve had that for quite some time. We’ve also just gone through a review of our charging structures [...] so we’ve worked that through with health and social care and with Housing Benefit to be very clear about what we can charge and what we can’t charge.” **[Scotland case study]**

9.84 Sometimes, the lack of a strong working relationship is most notable in departments within two tier local authorities. In these instances, some of the commissioning teams sit within the County Council, but other parts of commissioning may be done within the district council, and the Housing Benefit teams also sit within the district councils. One Housing Benefit team interviewee noted that they are addressing this issue by purposely developing better working relationships with County Council colleagues undertaking commissioning. They also reported positive relationships within their local authority across departments and levels. That said, it was noted that negotiations between providers, commissioners, and Housing Benefit teams around rents and charges could be complicated, especially where the relationships between County Council commissioners and Housing Benefit teams are not well established.

9.85 Several stakeholders across several cases studies detailed the lack of joined-up working practices or inconsistent relationships between commissioners and Housing Benefit teams in their local authority. Respondents thought that this contributes to inconsistent approaches in rent setting, acceptable levels of service charges or intensive housing management charges. Several respondents pointed to limited discussions between departments about reducing contract values or decommissioning services. One health professional also stated that mental health commissioners are often only commissioning the care component of a support package and not the housing support element. Some respondents highlighted that commissioners had limited knowledge of the Housing Benefit system in relation to Specified Accommodation rules and that often Housing Benefit teams had limited knowledge of supported housing.

9.86 Several commissioners and providers across various case studies queried what they saw as being the inconsistent application of Housing Benefit regulations and rent setting procedures by Housing Benefit teams. Many felt that commissioning procedures for housing support often did not completely align to the Housing Benefit system. Many respondents also noted the need for more strategically based conversations between commissioners and the Housing Benefit and Revenue Department right from the start of the process of commissioning or developing new services. It was felt that this would also be helpful to avoid situations where Housing Benefit and Revenue Departments query the rent levels being set by providers which had often already been set in agreement with commissioners.

9.87 One provider described how, from their perspective, the lack of joined-up working between the commissioners in the Housing Department and the Housing Benefit team in their area is impacting on their ability to deliver an agreed service. The Housing Department had recognised the need for supported housing and that the rent being

requested is not unreasonable. The provider then set the rent at a level necessary only to cover housing management and the lease costs. The Housing Benefit team subsequently awarded lower Housing Benefit than requested as they stated there was cheaper alternative suitable accommodation is available in the area. However, the provider suspected the reason is actually because the Housing Benefit team is operating under tight budget constraints and as the provider is a Charity this would result in a subsidy loss. Consequently, the resident is now over £1,000 in rent arrears and the provider is supporting the resident to appeal this decision at tribunal. The charity's partner is currently covering the cost of the project, but the provider noted if it has to cover the cost themselves, they would have to discontinue the project.

- 9.88 Another respondent in the Scottish case study highlighted a similar issue where arrangements were made by commissioners in the past without consulting the Housing Benefit team, leading to unforeseen costs for the council. They stated this lack of joined-up working needed to change. Some respondents stated these issues stem from a lack of awareness within different departments about the need to consult others before making decisions.

“I wouldn't say there's any relationship with commissioners. Not from us anyway. There might be elsewhere, but no, I don't [think so] within the revenues and benefits side.” **[Scotland case study]**

Relationships between Housing Benefit teams and providers

- 9.89 In the main, providers reported that their main interaction with Housing Benefit teams is around rent setting procedures and supporting tenants to make Housing Benefit claims for supported housing (see Chapter 5). Many providers stated they had very mixed experiences of working with Housing Benefit teams. Relationships varied significantly across different local authorities. Some providers discussed positive experiences of working with Housing Benefit teams that are very willing to work with providers. These Housing Benefit teams were able to offer guidance on appropriate levels of expenses that they would be willing to accept and suitable local rent levels for Housing Benefit claims. However, other providers stated many Housing Benefit teams take a much more hands-off approach.

“There are local authorities who talk to you and give you guidance as you're building up the rent costs, they will work with you; others won't. Others would say you just need to put it in and we'll give you a yes or no.” **[Homelessness case study]**

- 9.90 Some providers expressed concerns about the approach taken by various Housing Benefit teams in the acceptance of claims. Other providers reported that constructive discussions with Housing Benefit teams as well as commissioners helps to alleviate some of the uncertainty in planning for new provision. Guidance is given by some local authorities on what is expected in terms of thoroughly documenting expenses and the use of benchmarking against other providers. Several providers also raised the importance of having dedicated individuals handling Housing Benefit applications for supported housing claims, as a lack of named contacts can lead to inefficiencies and repeated requests for the same information.
- 9.91 The process of ensuring that rents and service charges are both properly evidenced, and reasonable, is time-consuming and resource heavy for both providers and Housing Benefit teams. The local authority determines Housing Benefit awards based on eligible rents and service charges (see Chapter 2). Housing Benefit teams often request further information or an explanation for levels of rent or service charges being charged. Often higher levels of core rent or service charges for supported housing are

related to intensive housing management costs, some of which may be eligible for Housing Benefit (see Chapter 2). These are checked by Housing Benefit teams to ensure that they do not include any care, support or supervision costs which are not eligible to be funded through Housing Benefit. Many providers and Housing Benefit teams flagged this dialogue in relation to setting rents as being one of the most difficult aspects of the relationship between both parties. Communication channels become even more complex when multiple agencies are involved in projects - for example the landlord and/or leaseholder, support provider, as well as the statutory agency which has commissioned the placement.

“The volume of providers and new schemes is increasing and Housing Benefit teams do not have the resource, capacity, or expertise to scrutinise every one: Housing Benefit officers are expected to know about Community Interest Companies, regulators, companies house, accounting, trustees, shareholders and the list goes on.” For small authorities [...] the intensity of decisions is extremely difficult.” **[Housing Benefit team]**

- 9.92 Many respondents across the studies stated that the lack of clarity in Housing Benefit regulation, limited local authority funding, and subsidy loss as all contributing to a lack of transparency and consistency in Housing Benefit decision-making in relation to supported housing. These issues are all contributing to a perception that it is difficult to build positive relationships between Housing Benefit teams and providers. The subsequent administrative burden placed on local authorities is also considered untenable in terms of the staffing and expertise required, given the lack of funding and resources available.

“We need better centralised regulation and decision making, not every local authority is investigating every dodgy provider and enduring the expense of taking them to Tribunal.” **[Housing Benefit team]**

- 9.93 Many Housing Benefit teams commented on providers that had moved into their area making Housing Benefit claims without any prior engagement or dialogue with the local authority. This lack of prior communication from new providers was seen as particularly problematic. If Housing Benefit teams had little prior knowledge or understanding of these organisations and their operating models, or if the address is not already known to the Housing Benefit decision maker, a large amount of work is required from the Housing Benefit team to see if the claim meets Specified Accommodation rules. This includes finding out if the claimant has been assessed as needing supported housing, if the accommodation is being provided by an appropriate landlord, if a sufficient level of funded housing support is being provided to the tenant and by whom, and determining eligible levels of rent and service charges or if suitable alternative accommodation is available at a lower cost.
- 9.94 Even when the address of a property is known to the Housing Benefit team, and has previously been assessed as Specified Accommodation, the details of the claimant’s individual circumstances still need to be checked including that they have been assessed as needing supported housing and that funding is in place to provide them with a support package. Many Housing Benefit teams gave this lack of prior engagement from some providers as a key issue leading to delays in decision making and late payouts of Housing Benefit.

Non-commissioned services

- 9.95 It is apparent from the case study interviews that some local authorities have experienced a growth in non-commissioned supported accommodation services in

their areas over time. The extent that this had occurred varies notably across the case study areas. One County Council is currently working with around 20 non-commissioned providers. Most of these deliver provision for homeless clients. All but two of these non-commissioned services are in the voluntary sector and are charities or Community Interest Companies rather than registered providers.

- 9.96 Another local authority respondent provided details of around 200 units of non-commissioned supported accommodation for adult homelessness operating in their city. The respondent stated the vast majority of these providers have some kind of historical and well-established relationship with the council. They are all providing accommodation with some element of support. Some, but not all, of this provision is classified as Exempt Accommodation or sits within other categories of Specified Accommodation.
- 9.97 Respondents in one case study area discussed different models of non-commissioned services operating in their area. As well as being delivered by non-registered not for profit providers, non-commissioned services also include private accommodation delivering housing options for clients when a lower level of support need is identified and it was stated this includes for profit landlords. Respondents had also observed a growth in private rented sector providers expanding their portfolio into supported housing.
- 9.98 Respondents within one case study discussed their use of Supported Housing Improvement Programme (SHIP) funding as a vehicle for the authority to work across departments to review non-commissioned providers. The funding is enabling them to work with non-commissioned providers to ensure better services for vulnerable clients. One of these stakeholders also explained how SHIP funding is also being used to support extra work to assess the supply and demand for supported housing in their local market. This information will help them understand the position in relation to non-commissioned provision in their area.
- 9.99 Respondents in one case study discussed how SHIP funding is helping the council to understand which non-commissioned providers operating in the area are delivering good provision. They are assessing what support is being offered, ascertaining whether people are achieving their goals, and can transition to move on accommodation. Early findings from this work are being used to develop the local homelessness and rough sleeper strategy. Early findings suggest that people are unable to move on as they should, that providers are struggling with staffing capacity including when staff are off sick, and that some residents are not necessarily getting the level of support that they should be. Once this work is finalised and the findings agreed, it will inform the decisions, planning and strategy for delivering accommodation required in the county.
- 9.100 In another case study area, concerns were expressed about the quality, level of support, management, and the legitimacy of Housing Benefit claims in some non-commissioned provision. Many respondents across case study areas expressed concerns that some non-commissioned providers are charging inflated rents. One local authority respondent stated that they encourage non-registered providers to register as Registered Social Landlords. However, they also noted that some providers are reluctant, with the perception that there is no benefit to their business. Other providers had made numerous attempts to become registered providers without success due to them not owning their properties. In this particular local authority area, respondents noted that a lot of the short-term accommodation available via non-registered providers tended to be leased rather than owned by the provider.

- 9.101 Some providers offered alternative perspectives on the benefits for their organisation in delivering non-commissioned rather than commissioned services. They felt this offered them greater freedom and independence than commissioned contracts. Some providers are actively choosing to remain outside commissioned services as they feel that signing up to commissioned services limits their ability to adapt to the changing needs of their clients. Non-commissioned services also allow them to accept clients from a broader and wider geographical referral base.
- 9.102 A provider delivering older people's sheltered housing highlighted that, for them, sitting outside of commissioned contracts offered greater freedom in what they could achieve with residents. However, they acknowledged one downside of their model is that they had limited data collection in relation to specified outcomes which potentially proved a barrier to accessing funding from wider directorates such as health.
- 9.103 Other small, non-commissioned charitable providers stated that becoming a commissioned service raises issues around losing their independence. They stated the complexities involved in such arrangements include potential restrictions and red tape. Instead, using grants and donations to fund their support costs is preferable for some organisations.

“Also the barriers, it ties you in quite a lot and I would argue to the trustees for as long as we possibly can let's keep independent, it's almost control of your own destiny, where you're funded, you're accountable definitely, you stay accountable to the funders that you have, however you're not controlled by one and I think that's quite key in that once the council say they're my four beds and this is exactly what you're going to do with them.” **[Homelessness case study]**

10 Conclusions

Introduction

- 10.1 The government is committed to ensuring a sustainable supported housing sector which enables vulnerable people and those with disabilities to live as independently as possible within the community. The aim of the sector is to improve health, wellbeing and socio-economic outcomes for people who need support to live independently. The government also needs to ensure the system delivers value for money. This study provides a robust and up-to date evidence base which will enable effective policy development for supported housing.
- 10.2 A wide range of quantitative and qualitative data has been collected throughout this study to provide insights on various aspects of supported housing in Britain. This has confirmed the complexity of the sector in terms of client needs, provider types, delivery models, commissioning practices, and funding mechanisms. These factors interact with each other to different extents across localities. This results in a fragmented system which is funded and delivered in different ways to varying degrees depending on where you live. This leads to uneven rates of provision and access to services dependant on local context.
- 10.3 No single data source provides a complete picture of the sector. Analysis of the existing secondary and administrative data sources, primary surveys and qualitative research shows that each source provides data on partial aspects of the sector. These reflect each stakeholder's perspective from the part of the sector they operate within. For example, Housing Benefit teams tend to primarily be concerned with or have data on Housing Benefit claimants who live within the third of all supported housing that falls within Specified Accommodation regulations. Many Housing Benefit teams have limited data on supported housing in their area that falls outside Specified Accommodation rules.
- 10.4 Local authority commissioners tend to mainly have data on the provision for which they directly fund commissioned services. Their knowledge is often client group specific rather than across supported housing provision as a whole. Funding tends to be focused on those in highest need. Many commissioners have limited data on non-commissioned supported housing provision in their area. This means local authority commissioners and Housing Benefit teams can provide insights on the parts of the sector they deal with, but not necessarily provision as a whole. There are parts of supported housing, for example much of sheltered housing for older people, which will neither be directly funded as commissioned services or fall within the Specified Accommodation rules. Local authorities are unable to systematically provide data on this type of provision.
- 10.5 Providers have more comprehensive data on their stock and tenants, but regulatory systems for capturing this data only focus on registered providers. Some providers have a good overview of the system across client groups or places. But for other

providers, their knowledge is firmly grounded in particular client groups or places depending on the size of their organisation or specialism.

- 10.6 This chapter revisits the evidence presented across all sources of data on various aspects of supported housing. The key findings from each of the chapters are coalesced to address each of the research objectives set out in this study. The final section includes insights emerging from the study on the strengths and weaknesses of various data sources available. This is used as a basis for considering the final objective of the study on how to improve the monitoring and collection of data for the supported housing sector in the future.

An overview of key findings

- 10.7 This study aims to provide an up to date understanding of the supported housing sector in England, Scotland and Wales in 2023. The study includes supported housing which provides accommodation that is designed or designated to come with care, support or supervision which helps people who are vulnerable, socially disadvantaged or have disabilities to live as independently as possible in the community. The remit of the study does not include floating support or residential care homes.
- 10.8 The breadth of evidence collected confirms the complexity and diversity of the sector. Policy frameworks and regulatory systems vary considerably across Great Britain. Supported housing is provided by a wide variety of landlords, delivery models and funding mechanisms. The sector delivers accommodation with care, support or supervision for a wide range of client groups with varied needs both between and within client groups. Often residents in supported housing can have multiple and complex needs that means they have support needs that fall within more than one client group.
- 10.9 Generally, primary client groups within short-term and transitional provision includes: people experiencing homelessness; young people; people at risk of domestic abuse; people with drug or alcohol issues; prison leavers; refugees and asylum seekers; and veterans. Long-term supported housing provision for working age people with disabilities includes three main client groups: people with mental health problems; people with learning disabilities and autistic people; and people with physical disabilities or sensory impairments. Housing for older people with support needs forms the remainder of supported housing provision. This can range from sheltered housing, providing relatively limited levels of support, to extra care provision for people requiring high levels of support to remain living as independently as possible in the community.
- 10.10 Provision of supported housing contributes to the health, wellbeing and socio-economic outcomes of those living in the sector. It supports people to transition to more independent living and enables some people to live within the community rather than in institutional care. This project aims to address six overarching research questions and the key evidence for each is summarised below.

What is the size and composition of the supported housing sector?

- 10.11 This study has been conducted using a different methodology than the 2016 Supported Accommodation Review. The policy context and data recorded within secondary and administrative data sources have also changed over time. This means that the data presented in this report are not directly comparable to estimates produced as part of the prior study. The data does not, therefore, represent a consistent time series. It is strongly advised that direct comparison of stock levels as a whole or by client group, as well as other data, between the two studies are not made. Instead, each study

should be seen as a snapshot of the best available data at each point in time. That said, there is a great deal of consistency in distributional patterns observed within the 2016 study and the 2023 study both between and within countries, as well as between client groups.

10.12 This study estimates there are 634,000 units of supported housing in Great Britain. Of these:

- 535,400 units are in England (84 per cent), 57,500 are in Scotland (9 per cent), and 41,100 units are in Wales (6 per cent);
- 423,100 units are for older people's housing (67 per cent), 126,500 units are for short-term or transitional accommodation (20 per cent), and 84,300 units are for long-term supported housing for working age people with disabilities (13 per cent);
- supported housing for people with a learning disability and autistic people (9 per cent of all units) and single people experiencing homelessness (9 per cent of all units) are the two largest working age client groups.

10.13 The Department for Work and Pensions' Single Housing Benefit Extract includes data for all Housing Benefit claims recorded as within supported housing which meets the regulations for Specified Accommodation (Exempt Accommodation, Managed Properties, Refuges, and Local Authority Hostels). Not all supported housing falls within these rules as much of sheltered housing for older people is classified as general needs accommodation for Housing Benefit purposes.

10.14 A data improvement exercise, funded by the Department for Work and Pensions, has enhanced the consistency and quality of the data recorded for claims which meet the Specified Accommodation regulations. However, this exercise will not be completed until April 2024. Therefore, the data extract used in this study will still include some under-recording of Specified Accommodation claims. The impact is estimated to be relatively small, at around five to ten per cent of all current Specified Accommodation claims, but there remains some uncertainty. The Single Housing Benefit Extract for Great Britain in November 2023 indicates:

- there were 215,770 Specified Accommodation claims recorded on the Housing Benefit system in November 2023 - this is equivalent to 34 per cent of all supported housing;
- 78 per cent of all Specified Accommodation Housing Benefit claims are working age claimants and 22 per cent are pensionable age claimants;
- 83 per cent of all Specified Accommodation claims are for Exempt Accommodation;
- the Housing Benefit Team Survey indicates that the remaining 17 per cent of Specified Accommodation claims comprises of: 13 per cent Managed Properties, three per cent Local Authority hostels, and one per cent Refuges;

10.15 Approximately 38 per cent of all supported housing is commissioned and funded by local authorities or statutory bodies to cover some, or all, of the costs of providing care, support or supervision as part of a supported housing service. Funding for commissioned services varies by client group:

- just over 80 per cent of provision for single people experiencing homelessness and for people with drug and alcohol problems receive some local authority funding;

- over 90 per cent of most other working age client groups receive some local authority funding;
- only 28 per cent of supported housing specifically for veterans receives any funding from local authorities;
- only 16 per cent of supported housing designed or designated for older people receives some local authority funding for providing supported housing services – this is primarily focused on extra care provision.

What issues impact on the supply and demand for supported housing?

- 10.16 There are significant long-term challenges in sustaining the current supply of supported housing as well as numerous barriers in developing new provision. For many local authorities long-term funding constraints and budgetary pressures mean that there are limited resources available to fund commissioned services. In some local authorities certain types of supported housing which are not a statutory requirement are no longer commissioned, funding levels have been reduced, or the threshold for accessing services has increased. There is evidence in some areas that some services have been decommissioned or replaced with less expensive forms of provision. Increasingly, there is a trend towards reprofiling or substituting certain elements of housing support (previously funded as commissioned services) towards intensive housing management services to be funded by Housing Benefit. However, these services are for the provision of adequate accommodation rather than support for the individual to live as independently as possible.
- 10.17 Many stakeholders comment that funding from local authorities has, for many years, not kept pace with inflationary pressures and the rising costs of provision. Typically, providing the same services or more services for less funding is required. Workforce retention and recruitment is a key challenge in maintaining the supply of specialist provision. For providers, the rising costs of provision alongside local authority funding constraints contribute to difficulties in their ability to maintain optimum levels of service provision. Given this context, many providers and commissioners question the sustainability of existing services in the longer term. Some providers feel that it is not financially viable to supply an adequate level of supported housing services for the funding available in some areas and have taken the decision to no longer tender to deliver these services. Smaller providers or charitable organisations are particularly exposed to reductions in revenue funding streams as this requires greater subsidy from charitable income streams which is not always readily available.
- 10.18 Provision of supported housing services to an individual is a key determinant in whether accommodation is considered as part of the supply of supported housing. This means that some provision delivering intensive housing management tasks only, although housing the same client groups as previously, may not be classified as supported housing or Specified Accommodation and may not be captured as supply within existing data sources.
- 10.19 Many commissioners and providers cite significant barriers in opportunities to develop new provision. Limited access to adequate levels of longer-term capital funding streams and unreliable revenue funding streams are common factors which constrain development. Other barriers include limited availability of suitable housing stock for conversion; limited availability of land, development sites and the planning system; the high cost of land, property and private sector rents; and the expensive nature of lease-based models of provision.

10.20 Difficulties in sustaining or expanding the supply of supported housing has occurred alongside increasing demand for supported housing provision. The increase in demand has been seen across client groups and particularly for homelessness, young people, mental health provision and supported housing for people with learning disabilities and autistic people. The complexity of needs across client groups is also increasing. This requires more intensive and higher levels of specialist support for complex needs which also increases costs. High demand for move-on accommodation is not being met which leads to 'blocking' within the limited supply of supported housing available.

10.21 Local authority stakeholders acknowledge that increasing demand alongside static or shrinking supply is leading to significant amounts of unmet demand for supported housing. Only 8 per cent of commissioners indicate that, in their opinion, there is no unmet need in their local authority. Over half of all commissioners state they have some or lots of unmet demand. This is a particular issue in some types of areas – such as areas with high market rents or in more rural locations. Unmet demand is an issue across client groups and is highest for people with mental health problems, single homelessness, people with a learning disability and autistic people, and for young people leaving care:

- 62 per cent of commissioners report that the number of supported housing units they have commissioned over the past five years has increased;
- 90 per cent of commissioners feel that the budget assigned within their local authority or County Council for commissioning supported housing was insufficient to meet the demand in their area;
- 86 per cent of commissioners reported that the demand for supported housing in their local authority or County Council will increase over the next five years;
- 31 per cent of commissioners indicate there is lot of unmet need for supported housing in their area and a further 21 per cent say there is some unmet need locally.

10.22 Providers frequently reported that they have experienced reductions in funding for commissioned services for some of their supported housing provision:

- 43 per cent of providers state that some of their units had been decommissioned or had funding reduced over the past five years;
- two thirds of providers who had funding reduced or provision decommissioned had remodelled or reduced the support services provided in these schemes.

10.23 Substantial additional supply of supported housing is needed if current levels of unmet demand in Great Britain in 2023 are to be addressed:

- between an additional 179,600 and 388,100 supported housing units are needed to address current levels of unmet demand;
- approximately 91,100 units of these are needed for working age people;
- a lower estimate of 88,600 units are needed for older people and the upper estimate is 297,000 units.

10.24 Many local authorities report they face significant challenges in overseeing or having the ability to exert any control over the establishment of non-commissioned supported housing in their area but that this additional supply does not always meet local needs.

How is the demand for supported housing likely to change in the future?

10.25 Many local authorities find it a challenge to accurately assess the supply, demand and unmet demand for supported housing in their local area. This makes forecasting future demand and co-ordinating new provision relative to strategic need difficult. National projections of the future demand of supported housing to 2040 were created as part of this study. These estimates take account of the current supply of supported housing in 2023 and assumptions related to the need for care, support or supervision for various client groups as well as demographic trends. Current supply of supported housing is estimated to be 634,000 units and the projections estimate that if current rates of provision are maintained, then by 2040:

- an additional 150,500 units of supported housing would be required, an increase of 24 per cent;
- the vast majority of additional units needed by 2040 will be for housing for older people;
- if current unmet need (between 179,600 and 388,100 units) grows in line with demographic trends and the prevalence of conditions, and this is also to be addressed, then this would generate need for between an additional 211,200 and 490,200 units;
- taken together, the growth in current demand and unmet demand by 2040 is estimated to be between 361,700 units and 640,700 units;
- this means the size of the supported housing sector would need to increase from its current size of 634,000 units to between 995,600 and 1.275 million units by 2040 if current demand and unmet demand is to be met, and demographic and prevalence rates are realised;
- of the supply needed by 2040, 310,800 units will be for working age adult client groups and between 684,800 to 963,800 units will be required for older people.

What are the costs of provision?

Funding for commissioned support services

10.26 There are two components of supported housing that require funding. The first element is for the cost of providing care, support or supervision which is provided alongside the accommodation to help tenants to live as independently as possible in the community. This can be provided as commissioned support services which are funded by local authorities, County Councils and other statutory bodies. Non-commissioned supported housing uses charitable income, self-funding by the individual receiving the support, or a supported housing provider's other income generating activities to cover the cost of providing support services.

10.27 Many respondents highlight that the complexity of client needs are increasing over time and that more funding is required to deliver intensive or multi-dimensional support services. In addition, the costs of service delivery have risen substantially in recent years given the recent sustained period of high inflation. Providers commonly raise concerns about increasing expenditure due to additional costs for energy, insurance, maintenance and staffing.

10.28 The vast majority of commissioners and providers taking part in the study state that the funding landscape for commissioned services is increasingly challenging. Limited resources and budget constraints within local authorities impacts on the level of funding available for commissioning supported housing services. The lack of

inflationary uplifts in many commissioning contracts makes it difficult to cover rising costs. For some charitable providers the increase in financial pressures when funding does not keep pace with rising costs creates a financial risk to their long-term viability as supported housing providers.

10.29 Maintaining staffing ratios to ensure the safety and wellbeing of residents and staff as well as quality of service provided is a key issue. The inability to fund the costs of 24 hour supervision required in some settings is of particular concern. Substitution of support services with intensive housing management services that may be funded by the Housing Benefit system is reported as common practice, for example, replacing a support worker with a warden or security guard. However, it is worth noting that these tasks are focussed on the provision of adequate and safe accommodation but do not provide the same level of support to the individual. In the longer term, this may lead to poorer outcomes for those who receive less individual support.

10.30 The average level of funding provided by local authorities (including funding from other statutory bodies) for commissioned supported housing services varies substantially across client groups. In the main, this reflects the varying level of need for support services within each client group:

- the median funding for commissioned support services for older people is £210 per week per unit - this predominantly reflects the cost of services for those in extra care provision;
- the median funding for commissioned support services per unit for short-term or transitional accommodation ranges from an average of £125 per week to £250 per week across all client groups;
- the median funding for commissioned support services per unit of single homelessness provision is on average £165 per week or £8,630 per year;
- the median funding for commissioned support services per unit of provision for young people leaving care is on average £250 per week or £12,900 per year.

10.31 The highest levels of average funding per unit are for support services for people with disabilities. Whilst substantial funding is required, this tends to be lower than a placement in an institutional setting. Commissioners were asked to include funding from other statutory bodies within the data they provided:

- the median funding provided for commissioned support services for people with mental health problems is an average of £408 per week or £21,216 per year per unit of provision;
- the median funding for commissioned support services for people with a learning disability and autistic people is an average of £919 per week or £47,788 per year per unit of provision.

10.32 The data on average levels of funding provided by commissioners has been combined with the stock estimates by client group, and Provider Survey data on the proportion of stock by client group which is commissioned. This allows an estimate of how much annual funding would be needed if the observed funding and commissioning patterns seen in the surveys is replicated across all local authorities in Great Britain. The estimates indicate that between:

- £2.11 billion a year would be required if the lower quartile of average funding per unit is used as the basis of an estimate;

- £4.43 billion a year would be required if the median of the average funding per unit is used as the basis of the estimate.

10.33 The large range in estimates of funding required reflects the wide variation in average funding per unit reported by local authorities for supported housing for people with learning disabilities and autistic people, and for people with physical disabilities. If the lower quartile of average funding per unit is used for these latter two groups, alongside the median level of funding per unit for all other client groups, then the estimate of overall annual funding required is £2.71 billion a year.

Funding for accommodation via the Housing Benefit system

10.34 The second element of funding required for supported housing is the cost of the accommodation itself. For individuals on a low income who have been assessed as needing care, support or supervision, and live in Specified Accommodation, then the cost of the accommodation (rent and eligible service charges) can be provided by the Housing Benefit system. The level of payment for eligible rent and service charges is individually assessed. People of pension age or above, who live in sheltered housing, but who do not meet the requirements of Specified Accommodation, can still apply for Housing Benefit but these will be assessed under the rules for general needs accommodation. Some working age people who live in supported housing, but who do not meet the requirements of Specified Accommodation rules, can receive help towards their housing costs through the housing element of Universal Credit. The costs of care, support or supervision cannot be funded by Housing Benefit or Universal Credit.

10.35 Local authorities administer the Housing Benefit system. This includes the assessment of supported housing claimants to see if they fall within four categories of Specified Accommodation: Exempt Accommodation, Managed Properties, Refuges and Local Authority Hostels. A complex set of Housing Benefit regulations for each of these categories exist which are related to the type of landlord and who is responsible for providing the care support or supervision. The rules for Specified Accommodation also determine whether rent and services charges are assessed under the pre-or post-1996 Housing Benefit regulations and the level of rent that is eligible for Housing Benefit. Many providers and Housing Benefit teams describe the process of negotiating rents and service charges for Specified Accommodation as one of the most time consuming and resource-intensive activities they undertake.

10.36 The Commissioner Survey indicates that 43 per cent of respondents think that the previously commissioned support by providers is being replaced with other housing-related services deemed as 'intensive housing management' and this is one of the factors contributing to the higher cost of supported housing relative to general needs provision. Intensive housing management is not defined in Housing Benefit legislation and are services related to the provision of adequate accommodation which are therefore deemed as eligible service charges under Housing Benefit rules. These are increasingly being used to replace previously commissioned support services.

10.37 It needs to be remembered that intensive housing management services are not providing an equivalent level of specialist support to the individual, but instead focus on delivering the accommodation element of supported housing schemes. Charges which are not related to the provision of adequate accommodation are ineligible service charges under Housing Benefit rules - including care, support or supervision (Housing Benefit Regulations. No. 213. Schedule 1. Part 1, (1) (f) and (g)).

10.38 Data from the Single Housing Benefit Extract for Great Britain indicates that the average weekly eligible rent (including eligible service charges) for Specified Accommodation Housing Benefit claims in Great Britain in November 2023 was:

- £247 per week for all Specified Accommodation;
- £266 per week for working age households within Specified Accommodation;
- £178 per week for pensionable age households within Specified Accommodation.

This compares to the average weekly eligible rent (including eligible service charges) for Housing Benefit claims that fall within the rules for general needs accommodation in Great Britain in November 2023 of:

- £128 per week for all Housing Benefit claims assessed under the rules for general needs accommodation;
- £141 per week for working age households within general needs accommodation;
- £115 per week for pensionable age households within general needs accommodation.

10.39 Combining information across data sources allows estimates of the annual cost of the accommodation element of supported housing to the benefits system, primarily through Housing Benefit payments, to be created. These estimates are based on the average Housing Benefit awards by age group for each nation, for the proportion of supported housing that receives benefits towards their housing costs, calculated separately for claims within Specified Accommodation and non-Specified Accommodation. Newly available data from the Single Housing Benefit Extract for November 2023 allows a more accurate assessment to be made than was possible in 2016. Therefore, these estimates of costs for 2023 should not be directly compared to those previously produced as part of the 2016 Supported Accommodation Review as both studies are based on different methodologies and underpinning data sources.

10.40 The estimated annual cost to the benefits system for all accommodation costs associated with supported housing in 2023 is:

- £4.09 billion per year for all supported housing;
- 88 per cent of which is for tenants in England, 6 per cent is in Scotland, and 5 per cent is in Wales;
- £2.72 billion is for Specified Accommodation (67 per cent);
- £2.35 billion is for working age provision (57 per cent).

10.41 Housing Benefit regulations determine how much subsidy can be claimed back from the Department for Work and Pensions by each local authority to cover the cost of their Housing Benefit expenditure. The subsidy system is not intended to reimburse 100 per cent of all Housing Benefit awards paid by local authorities. In certain cases, the local authority is unable to restrict the rent for Exempt Accommodation claims. Whilst this is outside the control of the local authority, lower rates of subsidy still apply above the level of a Rent Officer Determination.

10.42 The level of subsidy varies by the type of landlord, the type of accommodation and the eligible rent rules with apply. Subsidy loss is an increasing issue for some local authorities. Especially for some local authorities with larger numbers of non-registered providers delivering non-commissioned services as this can lead to significant shortfalls in funding or subsidy loss. The National Audit Office estimated that across

local authorities in England between 2017-2018 and 2021-2022, subsidy loss more than doubled in cash terms from £53.8 million to £108 million.

How do commissioning practices vary across local authorities?

- 10.43 Evidence emerged throughout the study of varied approaches to the procurement and commissioning of housing support services being taken across different places and for different client groups. In part, these reflect national policy frameworks, local policy priorities, and funding available in local authority budgets. This means the levels of funding available, provision commissioned, and access to services is not uniform across local authorities.
- 10.44 Diverse procurement practices are deployed across local authorities and County Councils. Many are in the midst of reviewing, or have recently reviewed, supported housing services. This has led to changes in the way that services are commissioned and a move towards different supported housing models and contracts. Common procurement approaches taken include the use of block contracts, open tenders, consortia arrangements, framework agreements, negotiated contracts, and spot purchasing.
- 10.45 From local authorities' perspectives, procurement practices often reflect local budgetary constraints and the need to reduce costs whilst ensuring statutory services are delivered. Demand for services is increasing, but these often have to be delivered within the same budget envelope. Many commissioning contracts are not index linked to inflation over the lifetime of a contract – which can often be for three to five years. Increasingly, procurement practices have moved away from the use of block contracts which guarantee funding of bedspaces or units. Often, more flexible allocation of resources or consortia approaches are being introduced. At times, this can lead to limited availability of certain types of provision and an increase in the use of spot purchasing. However, this can be an expensive procurement method, is less strategic, and can result in higher transactional costs.
- 10.46 Providers generally see the shifting procurement landscape for commissioning supported housing services as challenging. Short-term contracts make it difficult for some organisations, especially smaller charitable providers, to generate stable income streams and sustain the supply of services. The move away from block contracts in some areas leads to difficulties for some providers to cover the costs of provision, especially with respect to voids, and maintain consistent revenue streams. Placements for some services require careful matching of clients to others in shared households and this can at times lead to lengthy voids which are not covered by more ad hoc approaches to commissioning services.
- 10.47 The lack of inflationary uplifts during the lifetime of contracts, especially following the recent period of high inflation, is of key concern to many providers. Their ability to cover the rising day-to-day running costs of service provision, for example increases in the living wage, without adequate funding is limited and seen as a risk to the sustainability of future service provision. Limited availability of stable revenue income streams impacts on providers' ability to cover the costs of staffing and maintenance, invest in staff training, and retain skilled support staff.
- 10.48 Many stakeholders note that there is an ongoing evolution of commissioning practices and that many areas have been in a state of flux for many years. Changes in commissioning practices are not only associated with funding constraints but with the emergence of alternative person-centred delivery models. Many stakeholders feel that increasingly there is a need for a move away from traditional supported housing

approaches for many client groups. There is a growing awareness of the potential for co-commissioning alternative delivery models which attempt to address the complexity of need using more holistic approaches. This is especially the case for commissioning practices in relation to homelessness, mental health services, and people with learning disabilities and autistic people. There is also an increasing shift towards more psychologically informed approaches aimed at providing better support and accommodation for individuals experiencing homelessness.

- 10.49 There is evidence of good practice and holistic approaches to commissioning supported housing services across many local authorities. These include understanding local population need as well as wider engagement and consultation with a range of stakeholders and providers. Such activities take place as part of the development of plans through the standard commissioning cycle and result in more strategic approaches to sustaining and developing supported housing.
- 10.50 Well managed approaches are usually embedded in housing strategies and other local plans. These plans identify the specialist housing need in the area and how this can be addressed via existing provision or new development of supported housing. Some local authorities are setting up specialist panels and advisory groups to provide frameworks for commissioning supported accommodation services for different client groups. Groups of commissioners made up of multidisciplinary teams are also coming together to manage the housing need, discuss cases and find solutions, scrutinising and validating any new supported housing provision.

Monitoring data on the supported housing sector

- 10.51 It is widely acknowledged that there is no single comprehensive or systematic national data source which captures the scale, scope, diversity or costs of the sector (National Audit Office, 2023). The previous major exercise to assess the sector was undertaken for the 2016 Supported Accommodation Review, which is the most comprehensive evidence base to date, and is now eight years old. A previous appraisal undertaken by the Ministry of Housing, Communities and Local Government concurred that existing data sources are generally only partial and relatively weak. Secondary, administrative and regulatory data sources are generally the most robust data currently available. However, these only provide a picture of various aspects of the supported housing sector, rather than the sector as a whole, and only allow limited insights on provision for specific client types.
- 10.52 The national data that is available is often relatively high-level aggregate data – treating the sector as a generic subset of all social housing. This makes it difficult for central government departments to provide policy advice on key issues such as forecasting future demand for provision and estimating revenue requirements. Better data is needed to inform evidence-based policy and funding decisions on supported housing. This includes the long-term supply requirements and funding models needed to address the core and systemic issues affecting the sector.
- 10.53 Evidence gaps are also seen at a local level. Local authorities and County Councils commonly state it is difficult to access readily available and robust data which informs their understanding of the demand, supply and cost of supported housing in their locality. Data on how much funding for commissioned services is provided in each local authority for which client groups or for how many units or bedspaces of provision is not systematically collected across all local authority areas. Data on beneficiary outcomes emerging from investment in supported housing provision are also not routinely or systematically collected. Local authority stakeholders suggest that a more

nanced and comprehensive approach to data collection, analysis, benchmarking and planning is required to ensure that supported accommodation services meet the diverse needs of local populations.

- 10.54 Local authorities and providers highlight the difficulty of understanding need for specific client groups when often data available only reflect waiting lists for existing services. Often, those in need do not become 'visible' within data sources until the point of crisis, for example, people who are taken care of at home by elderly parents. But when carers are unable to continue to provide care due to their own health, a point of crisis is reached. Commissioners also highlight specific issues which impact on the accurate assessment and planning for future demand for supported housing for people experiencing homelessness. This includes difficulties of assessing the number of rough sleepers through irregular street counts, understanding the complex needs of residents in hostels, or that many in need may not be included in waiting lists.
- 10.55 This study utilises a range of secondary, administrative, and regulatory statistics alongside large scale primary data collection in the form of a Provider Survey, Commissioner Survey and Housing Benefit Team Survey (see Appendix A1.1 for details of each). The qualitative insights gained from the case studies and in-depth interviews allow the data to be contextualised and this aids interpretation of the quantitative data findings. This current study serves to update the existing evidence base. The existing data systems are considered to explore if these can be enhanced to meet data requirements to monitor the size, cost and demand of the supported housing sector in the future.

An assessment of primary data

- 10.56 The three primary surveys have been very useful in providing detailed information on the composition of the sector which is not available from secondary and administrative data sources. The local authority surveys have provided useful insights on the data which is not routinely collected by local authorities. The surveys also highlight the significant variation in provision and practice across local authorities. This variation is not necessarily related to local population size or type of local authority. Given the fragmentation of the sector, especially in relation to the funding of commissioned services at a local level and the variation in data systems at a local level, indications are that the use of sample surveys alone is no longer the most reliable way of estimating the size, composition and costs of the sector.
- 10.57 Instead, official regulatory statistics which have been collected systematically from all registered providers across Great Britain are used as the foundation for the stock estimates generated as part of this study (Appendix A1.2). Official statistics have the benefit of providing granular data which is collected systematically, annually and is available at a local authority level. These data capture all supported housing units owned by providers registered with relevant national regulatory bodies in England, Scotland and Wales. The main weakness of the regulatory statistics is that they do not provide any information on stock held by non-registered providers such as smaller charities; that they do not provide information on provision by specific client groups; and that differences exist in the policy frameworks, terminologies, definitions, and comparability of the data collected across the three nations.
- 10.58 The Provider Survey enhances the regulatory data by integrating information on additional stock held by non-registered providers. This forms the basis of grossing factors which are applied to the regulatory statistics to account for stock held by non-registered providers. The Provider Survey allows the composition of stock across

service types and client groups to be considered. This allows estimates of provision by client type to be generated. There are some weaknesses in the data that should be considered. This includes the variation in how individual providers use different definitions, terminologies and data collection systems for how they classify client groups. For example, some providers use provision flexibly for people with complex needs and this stock may not be ringfenced to one primary client group. There is also no centralised sampling frame of named contact details for all providers. This makes development of a sampling frame, especially one which includes all non-registered providers, difficult to administer.

- 10.59 The Commissioner Survey is the most comprehensive data available on the level of funding for supported housing services by local authorities. This is the only source of data which indicates how funding varies by client group. However, given the local variability in funding mechanisms this makes it difficult to extrapolate the total amount of funding allocated by all local authorities using this data source in isolation. But when used in conjunction with stock estimates and observed patterns across the surveys this allows the overall costs for funded services to be derived. The survey data highlights weaknesses in local mechanisms for recording funding data and that practice can be quite varied. Often the data provided is partial. In part, this reflects that commissioners are located within different departments in local authorities which have different budget allocations and recording systems. This complexity is compounded further in two-tier local authorities. It is also likely that not all funding allocated for supported housing gets specifically recorded as such. The Commissioner Survey and interviews with local authorities highlight that a more systematic and prescribed approach to data collection on funding being allocated especially by client groups is needed. This also needs to contain information on how many people or units are being funded. Better unified systems for collection of data across local authorities would allow trends in commissioning and de-commissioning of services to be tracked over time.
- 10.60 The Housing Benefit Survey provides useful information on a range of data for claimants within the Specified Accommodation rules. However, the survey confirms that most Housing Benefit teams do not routinely collect data nor can identify claimants living within supported housing that does not meet Specified Accommodation rules. For example, large numbers of claimants of pensionable age who live within sheltered housing are not routinely captured in their data. Many in this group receive Housing Benefit and live in properties designed and designated as supported housing. This means the data available from Housing Benefit teams reflects those in Specified Accommodation rather than the sector as a whole.
- 10.61 The primary aim of the three surveys was to collect quantitative data from a range of stakeholders on various aspects of supported housing. The surveys also provided a vehicle for capturing stakeholder views on key issues, as they perceived them, facing the sector in relation to funding, commissioning practices, policy, and the development of new supported housing supply. The respondents in all three surveys provided extensive written responses to this series of open questions which were analysed thematically. Any future surveys should see this as an opportunity to gather feedback from providers, Housing Benefit teams and commissioners. This would provide important real-time insights about ongoing challenges facing the sector or the impact of policy implementation.

An assessment of secondary and administrative data

- 10.62 A range of datasets are available from the Regulator for Social Housing in England, the Welsh Government, and the Scottish Government (see Appendix A1.2). These data sources provide information on supported housing stock and rents and are used throughout this study. The data is collected annually from all registered providers including local authorities. There are differences in the classification of stock deployed in each national dataset, but it is possible to combine categories to arrive at an overall estimate of total supported housing stock on a reasonably comparable basis for each of the nations. This local authority level data is the foundation of the stock estimates in this study but is grossed up to account for stock held by non-registered providers.
- 10.63 A subset of local authority level data from the Single Housing Benefit Extract was analysed as part of this study. This includes aggregate data on Housing Benefit claims for working age and pensionable age claimants that are categorised as living within Specified Accommodation. Data includes all recorded Specified Accommodation claims across England, Scotland and Wales. The data includes the average level of Housing Benefit awards, eligible rent and contractual rent. This includes data on whether a property falls within Exempt Accommodation rules or the other three categories of Specified Accommodation. A direct comparison of the data with the Housing Benefit Teams Survey responses indicates that the survey data is similar to the data recorded on the Single Housing Benefit Extract.
- 10.64 It is important to note that it has only been compulsory since April 2022 for local authorities to indicate on Housing Benefit records if new claims are within Specified Accommodation rules. In March 2023, local authorities were provided with additional funding by the Department for Work and Pensions to identify and record all Specified Accommodation claims which may currently not be captured on the system. This has improved the consistency and coverage of data. However, this data exercise will not be complete until April 2024. This means the current extract used in this study (November 2023) may still include a small amount of under-recording of Specified Accommodation claims as there are still five months until the end of the data recording exercise.
- 10.65 Even with the ongoing data quality improvement exercise, the Single Housing Benefit Extract is currently the best available data on the number of Specified Accommodation claims. Data for all local authorities is available, rather than having to rely on a sample survey, and so this data is used in the calculation of costs presented in this study.
- 10.66 Caution needs to be taken when interpreting the data present in this report from the Single Housing Benefit Extract compared to any future data releases. This is because any observed changes in caseload over time may in part reflect improvements in data recording procedures rather than actual increases in the number of Specified Accommodation claims. It also needs to be remembered that the Single Housing Benefit Extract does not provide information for all supported housing tenants that receive financial support with their rent – only those living in Specified Accommodation.
- 10.67 This study also utilises the Continuous Recording of Lettings and Sales in Social Housing in England (referred to as CORE) which provides insights on supported housing tenants. The data includes tenant socio-demographic characteristics, tenancy arrangements, rents and receipt of housing related benefits, and property characteristics for all new social housing tenants of registered providers. This dataset is available at local authority level but does not include data for tenants in Scotland and Wales. Approximately three quarters of the supported housing tenants in new

lettings recorded on CORE are working age people, whereas the stock estimates indicate that approximately two thirds of all supported housing is for older people's housing. This difference can be explained in terms of their being a quicker turnover, and therefore more new lettings, amongst tenants in working age provision than in pensionable age provision. The composition of the dataset therefore needs to be borne in mind when considering the aggregate data as a whole. Where possible, analysing data by working age and pensionable age tenants is preferable.

Considerations for developing future monitoring data

- 10.68 There are a number of overarching considerations that need to be taken into account when assessing options for future data collection and monitoring of the sector. First, the devolution of housing policy across nations makes it difficult to undertake cross national studies. Second, the breadth and accessibility of national regulatory statistics and administrative data has improved over time and this provides a useful basis for future monitoring data within nations. Third, the fragmentation of the system across local authorities means that sample surveys alone are no longer necessarily the best way to assess the size, composition and costs of the sector.
- 10.69 Further enhancements to secondary and administrative data, including exploring the potential to expand the variables collected, for example by client group, should be considered. Less frequent and targeted sample surveys that could be combined with the secondary data would magnify the power of the secondary data routinely collected. An expansion of data available on various data exploration tools, such as Stat-Xplore or the CORE data exploration tool, would allow greater accessibility to more of the data to a wider range of stakeholders on a more frequent basis. Many local authorities would find much of this data useful when developing local strategic plans for assessing the supply and demand for supported housing or tracking trends over time. However, there may need to be investment in training to support local authorities to develop relevant analytical skills to extract, interpret and analyse local level data.

Regulatory data

- 10.70 Currently, multiple and interchangeable terms and definitions are used by various statutory bodies and provider organisations on what constitutes supported housing. These definitional differences are notable when trying to understand the size and composition of the sector by using regulatory data or official statistics across England, Scotland and Wales. Subtle differences exist in published and official statistics. This means that various data sets capture aspects of supported housing rather than the totality of the supply or costs of provision on a comparable basis for each nation. The introduction of standardised definitions and data requirements for providers and local authorities across various secondary, administrative or regulatory data collection exercises would enhance the comparability and consistency of the data. This would also improve any future monitoring exercises undertaken.
- 10.71 Measurement issues across the three nations reflect the categorisation of stock in relation to national funding mechanisms and policy contexts. However, whilst differences in sub-categories of supported housing are understandable, and bound to exist, it would be useful if each national regulatory body produced a number of basic overarching statistics at local authority level using a set of agreed definitions of supported housing as a whole, and ideally split by working age provision and older people's housing. Some basic statistics on overall stock and rents split by comparable landlord types would also be useful. This would facilitate easier cross-national comparisons, benchmarking and shared learning.

10.72 Data collected by regulatory bodies, however, only covers registered providers. This leaves out stock held by non-registered providers which provides an important element of supply to the sector. Although this is only a relatively small proportion of the overall supported housing stock compared to registered providers, a mechanism needs to be introduced to routinely capture information on stock and rents in this sub-sector of the market.

Standardisation of definitions

10.73 Introducing standardised classifications of service types and primary client groups would benefit future data collection and monitoring exercises. Currently, terminologies are used interchangeably or apply to overlapping client groups, for example, extra care provision is primarily referred to in relation to older people's housing but at times also in relation to people with disabilities. Being able to separate out how much of extra care provision is for each client group would be helpful.

10.74 Often, many people living in supported housing have entrenched complex and multiple needs which means their support requirements straddle multiple client groups (for example, provision for homelessness, drug and alcohol issues, and mental health issues). Greater clarity is needed in how provision should be categorized for data collection purposes. This could include guidance on a harmonised set of mutually exclusive, standardised, primary client groups. Consideration should also be given as to whether an additional category specifically for short-term or transitional provision for clients with complex needs is required as increasingly some providers use stock flexibly across client groups rather than ring-fencing it to one client group. Consideration also needs to be given as to whether data on stock by client group could routinely be collected as part of regulatory data systems already in place.

10.75 A secondary client group categorisation should also be considered for some of the primary client groups. The most obvious example for this is housing for older people with support needs. This can include a range of terminologies such as sheltered housing, enhanced sheltered, very sheltered, retirement living, assisted living, housing with care, and extra care provision. Some of these categories are also used to describe provision for people with learning disabilities or physical disabilities but it would be useful if categories are mutually exclusive for overarching client groups. Having a standardised classification which relates to the level of support being provided as well as client group would be helpful for data collection purposes to assist in planning for types of supply needed. For example, housing for older people could have a two or threefold classification ranging from sheltered housing (low level of support) to extra care provision (high level of support). This would also assist in understanding the funding requirements for very different types of provision.

10.76 There is currently no definition of care, support or supervision in the Housing Benefit regulations. Instead, local authorities rely on case law which stipulates that the care, support or supervision should be 'more than minimal'. The subjectivity and inconsistency in interpretations of what constitutes 'more than minimal' provision of care, support or supervision, is problematic in relation to the Housing Benefit system for assessing Specified Accommodation. This makes the categorisation of supported housing difficult. When processing Housing Benefit claims the assessment of the level of care, support or supervision being provided is resource intensive, for both providers and local authorities, and leads to variations in how the rules are interpreted. Providing clearer guidance or standardised benchmarks for a range of scenarios for different client groups would provide more consistency in the categorisation of provision when

applying Housing Benefit Specified Accommodation rules. This would also enable more efficient assessments of costs and value for money to be undertaken.

- 10.77 Having a prescribed list of supported housing service charges that are eligible for Housing Benefit was frequently brought up as an issue across stakeholder groups. This would remove some of the ambiguity and inconsistency in the system as to what is funded by Housing Benefit. Potentially this would also make the system more efficient, less resource intensive and more consistent for both local authorities and providers. There would, however, need to be some flexibility built into such a system which could accommodate the varying needs between and within different client groups or types of provision.

Local authority funding data

- 10.78 Data collected by local authorities in relation to supported housing is often quite fragmented. The quality of data collected by Housing Benefit teams on Specified Accommodation claims has improved following the Department for Work and Pensions funded exercise to revisit their administrative records. It would be worth considering if any further data could be routinely collected, for example on landlord types or client groups, as part of the data systems which underpin the Single Housing Benefit Extract.
- 10.79 Specified Accommodation is, however, only one part of the supported housing system that is funded by the benefits system. There are other claimants who receive financial support towards their housing costs and live within supported housing that may fall outside of the Specified Accommodation rules. For example, much of sheltered housing provision is not classified as Specified Accommodation. It would be beneficial for future monitoring exercises if these claimants could also be routinely identified in Housing Benefit or Universal Credit records.
- 10.80 Elements of data recording systems for Housing Benefit records are relatively standardised across local authorities given that each needs to submit the same data to the Department for Work and Pensions. However, due to the outsourcing of data systems in some local authorities they are not able to run bespoke queries on the data without incurring additional costs. Sometimes, Housing Benefit teams are not aware of all the people in their local authority or wider County Council who are involved with commissioning services, and vice versa. This limits the ability of local authorities to share data or co-ordinate knowledge on landlords, existing schemes, new schemes being developed, the supply and demand for supported housing, or the range of costs for schemes being delivered locally. Improving channels of communication between all local authority teams involved in various aspects of supported housing would aid data sharing and knowledge transfer.
- 10.81 There is significant variation across local authorities in their systems for recording funding allocated to commissioning supported housing services. Often commissioners, budget allocations and monitoring data can be held separately across different departments, on various databases, and using varying categorisations. The capacity and ability of local authorities to collate and integrate these individual data sources is generally seen to be limited. Many of the local authorities who responded to the Commissioner Survey were unable to provide data on the level of funding or numbers of units funded for the main client groups. Systematic recording of such data in a standardised format across all local authorities in England would allow the collation of funding information on a more systematised, standardised and regular basis. This would allow funding requirements to be assessed, trends to be identified, and benchmarks to be developed to help assess value for money. This would also provide

valuable insights and understanding on the variation in access to service provision depending on where you live.

- 10.82 This study has demonstrated the complexity of the sector as well as the variation across places in access to provision, commissioning practices, delivery mechanisms and funding available. Enhancing future data frameworks to deliver more regular, systematic and standardised monitoring data will aid efficient delivery of the sector and ensure value for money. This would support local authorities to better understand the nature of local supply and demand for supported housing and assist them to strategically plan for future supported housing needs.

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Glossary

Affordable Rent:	Rent for this type of social housing can be no more than 80 per cent of the market value for the property.
Community Benefit Society:	An organisation that carries out its business for the benefit of the community.
Community Interest Company (CIC)	A type of limited company whose purpose is primarily to provide a benefit to the community they serve.
CORE:	Continuous Recording of Lettings and Sales in Social Housing - this data system records details of all new lettings by local authorities and Private Registered Providers in England.
Exempt Accommodation:	The first category of Specified Accommodation under Housing Benefit regulations. This is supported housing where a not-for-profit landlord is a non-metropolitan County Council in England, a housing association, a registered charity or voluntary organisation. The landlord, or someone acting on their behalf, provides care, support or supervision to the tenant.
Extra care housing:	Supported housing, often for older people, who need significant levels of care, support or supervision. Also known as 'very sheltered' accommodation.
Housing Association:	A social housing organisation which invests its surplus back into social housing provision. They are not-for-profit registered societies and/or a charity. If registered with the relevant social housing regulator they may also be referred to as a Private Registered Provider or a Registered Social Landlord.
Housing Benefit:	A benefit that provides help with housing costs for individuals on low incomes.
Lease-based supported housing:	Where a housing provider enters into a long-term lease arrangement with investors or developers to use properties as stock for supported housing, rather than owning the housing stock directly.
Local Authority Hostel:	The fourth category of Specified Accommodation under Housing Benefit regulations. This category includes local authority owned or managed hostels providing non-self-contained accommodation which also provides care, support or supervision to its residents.
Managed Properties:	The second category of Specified Accommodation under Housing Benefit regulations. This is supported housing where the landlord is a County Council in England, a housing association, a registered charity or voluntary organisation. The tenant must receive care, support or supervision which is connected to living in that home (i.e. not floating support). Unlike Exempt Accommodation, the care, support or supervision can be provided by someone other than the landlord or someone acting on their behalf.

Refuges:	The third category of Specified Accommodation under Housing Benefit regulations. This is supported housing providing accommodation for people fleeing domestic abuse. Refuges can be provided by not-for-profit landlords including any type of local authority, a housing association, a registered charity or a voluntary organisation. There is no requirement that care, support or supervision is provided to claimants in accommodation for it to meet the refuge definition. However, care, support or supervision may be provided as part of the accommodation and, therefore, it is possible for a refuge to meet the Exempt Accommodation criteria.
Registered Providers:	Providers of social housing in England registered with the Regulator of Social Housing. This includes local authorities and Private Registered Providers. These are mainly not-for-profit providers, but it is possible to be a for-profit Private Registered Provider.
Registered Social Landlord:	Not-for profit social landlords, such as housing associations, who are registered with the relevant national regulator of social housing.
Regulator of Social Housing:	Regulatory body for all Registered Providers of social housing in England.
Scottish Housing Regulator:	Regulatory body for Scottish local authorities and Registered Social Landlords in Scotland.
Single Housing Benefit Extract (SHBE):	A Department for Work and Pensions database containing Housing Benefit records for all claimants in Great Britain. The data is collected by local authorities administering the Housing Benefit system and data is submitted to the Department for Work and Pensions once a month.
Specified Accommodation:	Supported housing that meets a set of Housing Benefit regulations which enable the tenant to receive support towards their housing costs (if eligible for help) through Housing Benefit. For these claimants their Housing Benefit is excluded from the benefit cap calculation. There are four categories of Specified Accommodation: Exempt Accommodation, Managed Properties, Refuges and Local Authority Hostels.
Social Rent:	The most common type of rent in social housing. It is set in accordance with a national formula that takes account of relative local earnings, the property's relative value and the number of bedrooms in the property.
Supported Housing:	Accommodation which is provided alongside care, support or supervision to help people with specific needs to live as independently as possible in the community.
Void:	The term 'void' is used by landlords to indicate a property which is unoccupied for a period of time.

Appendix A1: Methods

A1.1: Survey methods

Three surveys were designed and implemented to capture a range of data from three different stakeholder perspectives:

- Local Authority Housing Benefit Team Survey (173 respondents; response rate 50 per cent);
- Local Authority and County Council Commissioner Survey (79 respondents; response rate 39 per cent);
- Supported Housing Provider Survey (189 respondents; response rate 28 per cent).

All three surveys were developed in consultation with the Ministry of Housing, Communities and Local Government, the Department for Work and Pensions, and members of the Advisory Group. The surveys were conducted using GDPR compliant online survey software. Electronic PDF versions of the questionnaires were also made available to those who preferred to complete a survey via this method.

The survey questionnaires were piloted with a small number of respondents from each stakeholder group. Further details of each of the surveys is provided below.

Local Authority Housing Benefit Team Survey

The Housing Benefit team in all local authorities across Great Britain were invited to participate in the online survey. They were contacted by the Department for Work and Pensions via their Local Authority Single Point of Contact list. The invitation was marked for the attention of the Revenues and Benefits Manager. The email set out the purposes of the study and forwarded a link to the online survey. The survey link could be shared across the team(s) as appropriate. An editable PDF version of the survey questionnaire was also made available. Fieldwork took place between 22 March 2023 and 3 July 2023. A series of reminders were sent to local authorities by DWP to encourage them to take part. Engagement activities via membership organisations working with Benefits and Revenue Teams in local authorities were undertaken to raise awareness of the study and encourage participation in the survey.

Table A1.1 provides details of the response rate achieved. A total of 348 local authorities²⁶ were contacted and 173 completed a survey. An overall response rate of 50 per cent was achieved. The 50 per cent response rate was consistent across all three nations. The response rate across English local authorities ranged from 43 per cent of District Councils to 67 per cent of Metropolitan Districts. Not all local authorities were able to provide all the data requested but partial returns were included in the data.

²⁶ The City of London and Isles of Scilly were not included due to the small size of these local authorities.

Table A1.1: Housing Benefit Team Survey response rate by country and local authority type

	Local authorities invited number	Local authorities responding number	Response rate (%)
District Council	164	70	43
Metropolitan District	36	24	67
Unitary Authority	62	34	55
London Borough	32	18	56
England	294	146	50
Scotland	32	16	50
Wales	22	11	50
Great Britain	348	173	50

Source: Housing Benefit Team Survey

Local Authority and County Council Commissioner Survey

No single list of all commissioners within local authorities exists. The potential to develop a sampling frame was explored via local authorities' websites, points of contact and telephone switch boards. This exercise confirmed that this was not a viable route to identify commissioners within the local authorities.

The Commissioner Survey was therefore cascaded via the electronic invitation sent via the Department for Work and Pensions' Local Authority Single Point of Contact list with the original email inviting local authorities to take part in the Housing Benefit Team Survey. The DWP invitation was marked for the attention of the Revenues and Benefits Manager and they were asked to cascade the link for the Commissioner Survey to relevant colleagues involved in commissioning. An editable PDF version also provided.

Whereas the relevant respondent for the Housing Benefit Team Survey will be within the same department as the Revenues and Benefits Manager, all those involved in commissioning are not always directly known to the Revenues and Benefits Team. Many commissioners are embedded within a number of other departments such as in adult social care teams, children's social care teams or homelessness teams. In two tier local authorities the commissioners are primarily located within the County Council rather than the lower tier local authority with responsibility for administering Housing Benefit.

The cascading method for inviting commissioners to take part in the survey may therefore mean that in some areas the questionnaire did not actually land on the desk of relevant commissioners within all local authorities. This is likely to have an impact on the response rate. Commissioners within local authorities who received the survey were asked to share the questionnaire with relevant colleagues and submit a combined response. Fieldwork took place between 22 March and 3 July 2023 and included a series of reminders issued by DWP via the local authority Single Point of Contact. The research team at Sheffield Hallam University also followed up respondents in local authorities that had completed the Housing Benefit Team Survey, but for whom a Commissioner Survey had not been received (or from the appropriate County Council).

A total of 79 local authority and County Council commissioners completed a survey out of a potential 205 local authorities or County Councils. This represents an overall response rate of 39 per cent. Not all local authorities were able to provide all the data requested but partial

returns were included in the data. There were an additional eight surveys responses received from District Councils that provided data in addition to or instead of data from their County Council. Any additional information these responses were included in the analysis, however, these have not been included in the response rate calculations in Table A1.2. Response rates differed by country and authority type, with coverage strongest in England and weakest in Scotland.

Table A1.2: Commissioner Survey response rate by country and local authority type

	Number of local authorities or County Councils in scope	Number of local authorities or County Councils responding	Response rate (%)
County Council	21	12	57
District Council	-	8	-
Metropolitan District	36	10	28
Unitary Authority	62	24	39
London Borough	32	12	38
England	151	66	44
Scotland	32	6	19
Wales	22	7	32
Great Britain	205	79	39

Source: Commissioner Survey

Supported Housing Provider Survey

No single sampling frame of all supported housing providers exists. The first stage of the survey was, therefore, to develop a sampling frame of named contact details for as many housing providers as possible. The aim was to include - but get beyond - large, registered providers which may operate at a local, regional or national scale, and to include as many small, charitable, local and non-registered providers as possible.

A sampling frame of both registered and non-registered providers was compiled for the Provider Survey from a range of sources. This included sourcing named contacts and email addresses for all registered provider organisations listed on relevant national regulatory body websites. The contact details were obtained via organisation websites or via phone. Publicly available data on names of organisations (but not contact details) were sourced via various websites, databases or membership organisations. The contact names and email addresses were then sourced by Sheffield Hallam University direct from these organisation websites or via phone. Duplicates were removed from the list when a provider organisation appeared on more than one source or if a scheme was part of a larger parent organisation that already appeared on the compiled sampling frame.

The research team sent electronic invites to all provider organisations within the compiled sampling frame inviting them to participate in the survey. Engagement activities via a range of membership organisations, newsletters and networks also helped publicise the survey, encouraged members to participate, and made PDF versions of the survey available to their membership. All those invited to participate had the option to complete an online version or editable PDF version of the questionnaire.

Fieldwork took place between 11 May 2023 and 10 July 2023. A series of electronic reminders were sent by the research team to the sampling frame. A total of 679 providers were invited to participate in the survey, although potentially some of these were outside scope of the

survey as they may not have directly managed any supported housing. In total, 189 questionnaires were submitted, representing an overall response rate of 28 per cent.

A1.2: Supported housing stock estimates

This study created supported housing stock estimates by client group. The approach integrates robust local authority level official regulatory statistics for 2022/2023 as the base for the stock estimates. These are collected systematically on an annual basis by each of the relevant national regulatory bodies in England, Scotland and Wales²⁷. Details of the regulatory data sources underpinning the estimates are provided below.

The regulatory statistics only include stock owned or managed by registered housing providers. This data was, therefore, grossed-up on the basis of data collected via the Provider Survey to reflect the ratio of additional stock held by non-registered providers compared to registered providers taking part in the survey.

The stock estimates are apportioned by service type and client group using a combination of data from both the Provider Survey and Commissioner Survey. Details of the approach taken to create grossing factors and apportion stock by client group are provided below. The approach taken to generate stock estimates in this study are not directly comparable to those presented in the 2016 Review. The previous study created stock estimates from a population weighted sample survey of 83 local authority commissioners. Therefore, change over time cannot be reliably estimated given the different approaches taken and data is not directly comparable.

Regulatory statistics

In England, the base for the stock estimates utilise the Statistical Data Return completed by Private Registered Providers, and the Local Authority Data Return completed by Local Authority Registered Providers. The data is available for each local authority and includes supported housing and housing for older people available at social rent or affordable rent. In 2022-2023, this included a total of 509,900 units of supported housing in England.

In Wales, the stock estimates use data from the statistical returns from all local authorities and Registered Social Landlords. Local authority level data tables are available on StatsWales for social housing stock. The data provides counts of sheltered stock, other supported stock (including hostels and non-self-contained units) and extra care stock. Additional stock in Wales held by private registered providers based in England have also been added to the data from StatsWales. In 2022-2023, these combined data sources account for 37,390 units of supported housing in Wales.

The Scottish Government publish social housing stock statistics that include a broader definition of supported housing. These reflect the physical attributes of housing stock rather than the level of support provided. This includes sheltered and very sheltered housing which is automatically categorised as supported housing by the Scottish Government. The statistics also identify provision with community alarms in addition to the sheltered housing category. This is a form of housing for older and disabled people with support needs which provide a low level of support for tenants. Properties with an alarm service, but no resident staff, are generally included within the definition of sheltered housing in the Elderly Accommodation Council database of older people's housing provision. Therefore, community alarm properties

²⁷ In England: Registered providers of social housing (RPs) including local authorities are registered with the Regulator of Social Housing.

In Scotland: Social Landlords (SLs) are registered with the Scottish Housing Regulator.

In Wales: Registered Social Landlords (RSLs) and local authorities are regulated by the Welsh Government.

are also included within the base for the stock estimates for Scotland to aid comparability with categories included by providers in England and Wales.

The legislative context for homelessness provision also differs between the Scottish and UK Governments. Scotland operates a Housing First policy which provides a housing-led response to people with multiple and complex needs along with person-centred, flexible support for as long as needed. This is available to anyone who is threatened with or experiencing homelessness. A homelessness assessment takes place allowing support needs to be identified and services engaged to provide support. This includes access to temporary accommodation such as hostels, women's refuges and other short-term accommodation which is provided alongside person centred support. Homelessness provision in these categories is also included in Scotland's stock estimates, but emergency Bed and Breakfast accommodation is not included.

Additional stock in Scotland held by private registered providers based in England have also been added to the Scottish Government data. In 2022-2023, these combined data sources account for 52,240 units of supported housing in Scotland.

Stock estimates: grossing factors

The Provider Survey indicates that just over 30 per cent of respondents are non-registered providers but that they hold only a small proportion of the overall stock reported. The vast majority of stock (95 per cent) is held by registered providers. The regulatory statistics have therefore been grossed on a national basis in relation to the percentage of stock held by unregulated providers indicated in the Provider Survey. This aims to account for additional stock held by non-registered providers.

The grossing factors have been calculated on a national basis from the Provider Survey as the ratio of stock reported by registered versus non-registered providers. A combined grossing factor for pooled stock data for Scotland and Wales has been calculated due to the smaller sample sizes for Scotland and Wales in the Provider Survey.

Stock estimates: by service types

The calculations for stock estimates by service type includes a number of steps. First, regulatory statistics are used to estimate the national percentage of supported housing stock that is allocated primarily as housing for older people. In England, the proportion of supported housing that is for older people which is available from the Statistical Data Return is used as a guide. In Scotland, stock classified as sheltered, very sheltered or community alarms are used as an indication of the scale of housing for older people. It is recognised that this may include a small element of very sheltered or community alarm properties which may also be available to disabled people. In Wales, the categories of sheltered and extra care stock are used as an indication of the scale of housing for older people. Again, a small element of the extra care stock may also be available to the disabled people. However, given extra care stock only accounts for approximately 10 per cent of the overall group, and the majority is likely to be for older people, this is unlikely to impact on the magnitude of the final estimates by service type.

The second step apportions the remainder of the national stock estimates on the basis of how much stock (that is not for older people) is for short-term/transitional supported accommodation or long-term supported housing for working age disabled people as indicated by the responses to the Provider Survey and Commissioner Survey. Both surveys indicate a similar percentage split of 60:40 in the Provider Survey and 62:38 in the Commissioner Survey. The Provider Survey percentages (60 per cent short-term and 40 per cent long-term

provision) are used as the Provider Survey returns have been shown to accurately reflect providers' regulatory statistical returns.

The national calculations are applied at an individual local authority level. So, housing for older people at local level calculations are taken from grossed regulatory statistics then the remainder of the stock estimate is split 60:40 in relation to short-term and long-term provision.

Stock estimates: by client groups

The Provider Survey and Commissioner Survey asked respondents to quantify how much of their stock fell into 13 separate client groups. The survey questions acknowledge that some provision, especially for clients with complex needs, may fall into more than one client group. The respondents were therefore asked to allocate units only once to most relevant primary client group. Where respondents were unable to allocate units to one group as the stock was used flexibly, then these were categorised as 'other'. The overall distribution of stock across these categories was used in conjunction with the stock estimates (Table 3.1 and Table 3.2) to provide local stock estimates for each client group (Table 3.5).

Table 3.5 presents each of the client group stock estimates within the broad service types. Provision for people with mental health problems has been allocated within long-term provision which is primarily allocated for people with a physical disability, enduring mental ill health conditions, and people with a learning disability and autistic people. There may be some cross-over of the long-term mental health provision with short-term term provision for people with mental health problems. However, short-term mental health provision may often fall within provision for those with complex needs who will in turn often be counted within other primary client groups.

The calculations for stock estimates by client group are also done via a number of steps. First, the housing for older people estimate for each local authority is taken from the calculation for the same group in the stock estimates by service types. Second, the distribution of the remainder of the stock estimate is then allocated to short-term or long-term provision service type on the same 60:40 in each ratio as for the service type estimates. Third, the Provider Survey is then used to calculate the distribution of stock by client groups within each of the short-term and long-term service types. Fourth, the Provider Survey and Commissioner Surveys have similar distributions for client groups within each service type, however, the exception was for the ratio of homelessness provision for single people compared to families. Homeless provision was more likely to be recorded by providers against single people provision rather than families. The ratio between the two groups was therefore re-weighted in line with the balance between these two categories in the Commissioner Survey. Finally, these percentages on distribution of client groups are then applied to the short-term and long-term stock estimates to distribute across client groups within each service type.

A1.3: Data tables for the future supply and demand for supported housing

The following tables provide the data underpinning the charts in Chapter 5.

Table A1.3.1: Supply of supported housing required by 2040 to maintain current levels of provision, number of units, 2023-2040

	2023	2025	2030	2035	2040	Change 2023-2040	Percentage Change 2023-2040
England	535,400	551,900	598,600	635,000	664,500	129,100	24
Scotland	57,500	59,100	64,000	67,600	70,000	12,500	22
Wales	41,100	42,400	45,800	48,300	49,900	8,800	21
Great Britain	634,000	653,300	708,400	750,800	784,400	150,500	24

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

Table A1.3.2: Supply of supported housing required by 2040 to maintain current levels of provision for older people, number of units, 2023-2040

	2023	2025	2030	2035	2040	Change 2023-2040	Percentage Change 2023-2040
England	349,300	364,100	407,400	441,600	471,000	121,700	35
Scotland	42,800	44,400	49,200	52,900	55,600	12,800	30
Wales	31,000	32,200	35,500	37,900	39,700	8,600	28
Great Britain	423,100	440,700	492,200	532,500	566,300	143,200	34

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

Table A1.3.3: Supply of supported housing required by 2040 to maintain current levels of provision for homeless single people, number of units, 2023-2040

	2023	2025	2030	2035	2040	Change 2023-2040	Percentage Change 2023-2040
England	51,400	51,800	52,500	53,200	53,400	2,000	4
Scotland	4,100	4,100	4,100	4,100	4,000	-100	-2
Wales	2,800	2,800	2,900	2,900	2,900	100	3
Great Britain	58,200	58,600	59,400	60,100	60,200	2,000	3

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

Table A1.3.4: Supply of supported housing required by 2040 to maintain current levels of provision for homeless families, number of units, 2023-2040

	2023	2025	2030	2035	2040	Change 2023-2040	Percentage Change 2023-2040
England	24,900	25,100	25,500	25,80	25,900	1,000	4
Scotland	2,000	2,000	2,000	2,000	1,900	<100	-2
Wales	1,400	1,400	1,400	1,400	1,400	<100	3
Great Britain	28,200	28,400	28,800	29,20	29,200	1,000	3

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

Table A1.3.5: Supply of supported housing required by 2040 to maintain current levels of provision for people with a learning disability and autistic people, number of units, 2023-2040

	2023	2025	2030	2035	2040	Change 2023-2040	Percentage Change 2023-2040
England	52,800	53,400	54,400	55,000	55,300	2,500	5
Scotland	4,200	4,200	4,200	4,200	4,100	<100	-1
Wales	2,900	2,900	2,900	2,900	3,000	100	3
Great Britain	59,900	60,500	61,500	62,200	62,400	2,600	4

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

Table A1.3.6: Supply of supported housing required by 2040 to maintain current levels of provision for people with mental health problems, number of units, 2023-2040

	2023	2025	2030	2035	2040	Change 2023-2040	Percentage Change 2023-2040
England	19,200	19,400	19,700	19,800	19,800	500	3
Scotland	1,500	1,500	1,500	1,500	1,500	<100	-2
Wales	1,000	1,000	1,100	1,100	1,100	<100	1
Great Britain	21,800	22,000	22,200	22,300	22,300	500	2

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

Table A1.3.7: Supply of supported housing required by 2040 to maintain current levels of provision for 'other' working age client groups, number of units, 2023-2040

	2023	2025	2030	2035	2040	Change 2023-2040 Number	Change 2023-2040 Percentage
England	37,700	38,100	39,200	39,600	39,100	1,400	4
Scotland	3,000	3,000	3,000	3,000	2,900	-100	-4
Wales	2,000	2,100	2,100	2,100	2,000	<100	0
Great Britain	42,700	43,100	44,300	44,600	44,000	1,300	3

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

Table A1.3.8a: Projections of additional supply of supported housing required to address unmet need: number of units required by five year intervals, 2025-2030

	2025 lower estimate	2025 upper estimate	2030 lower estimate	2030 upper estimate
England	157,100	336,500	167,500	368,200
Scotland	15,700	37,600	16,700	41,000
Wales	11,100	27,000	11,900	29,400
Great Britain	184,000	401,100	196,100	438,600

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

Table A1.3.8b: Projections of additional supply of supported housing required to address unmet need: number of units required by five year intervals, 2035-2040

	2035 lower estimate	2035 upper estimate	2040 lower estimate	2040 upper estimate
England	175,100	392,700	180,700	412,800
Scotland	17,400	43,500	17,800	45,200
Wales	12,400	31,100	12,700	32,200
Great Britain	204,900	467,200	211,200	490,200

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

A1.3.9: Combined projections for the additional supply of supported housing to address unmet need, maintain current levels of provision, account for demographic changes and prevalence rates, 2023-2040

		2023	2023	2025	2025	2030	2030	2035	2035	2040	2040
		Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper
England	Older person	73,100	245,200	91,000	270,400	143,300	344,100	184,700	402,300	220,300	452,400
England	Working age adult	80,300	80,300	82,700	82,700	87,400	87,400	90,000	90,000	89,500	89,500
England	Total	153,400	325,500	173,600	353,000	230,700	431,400	274,700	492,300	309,900	541,900
Scotland	Older person	8,900	30,000	10,900	32,700	16,800	41,000	21,300	47,400	24,500	51,800
Scotland	Working age adult	6,400	6,400	6,400	6,400	6,500	6,500	6,300	6,300	5,900	5,900
Scotland	Total	15,300	36,400	17,300	39,200	23,200	47,500	27,500	53,600	30,300	57,700
Wales	Older person	6,500	21,800	7,900	23,800	11,900	29,500	14,800	33,500	16,900	36,400
Wales	Working age adult	4,400	4,400	4,500	4,500	4,700	4,700	4,700	4,700	4,600	4,600
Wales	Total	10,900	26,200	12,400	28,200	16,600	34,100	19,600	38,300	21,500	41,100
Great Britain	Older person	88,600	297,000	109,800	326,900	172,100	414,600	220,800	483,200	261,700	540,700
Great Britain	Working age adult	91,100	91,100	93,600	93,600	98,500	98,500	100,900	100,900	100,000	100,000
Great Britain	Total	179,600	388,100	203,300	420,500	270,500	513,100	321,800	584,100	361,700	640,700

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

See Chapter 5 for the assumptions underpinning the projections. The lower estimate assumes that all local authorities realise the 15th percentile rate of provision for supported housing for working age adults and the 30th percentile for older people. The upper estimate uses the rate of provision achieved in the top 15th percentile rate of provision for supported housing for working age adults and older people in all local authorities.

Table A1.3.10: Combined projections for the overall supply of supported housing required to maintain current levels of provision and address unmet need, number of units, 2023-2040

		2023	2023	2025	2025	2030	2030	2035	2035	2040	2040
		Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper
England	Older person	422,400	594,600	440,300	619,700	492,700	693,400	534,100	751,600	569,600	801,700
England	Working age	266,300	266,300	268,700	268,700	273,400	273,400	276,000	276,000	275,600	275,600
England	Total	688,800	860,900	709,000	888,400	766,100	966,800	810,000	1,027,600	845,200	1,077,300
Scotland	Older person	51,700	72,800	53,600	75,500	59,500	83,800	64,000	90,100	67,200	94,600
Scotland	Working age	21,100	21,100	21,100	21,100	21,100	21,100	21,000	21,000	20,600	20,600
Scotland	Total	72,800	93,900	74,800	96,700	80,700	105,000	85,000	111,100	87,800	115,200
Wales	Older person	37,500	52,800	38,900	54,800	43,000	60,500	45,900	64,600	48,000	67,500
Wales	Working age	14,500	14,500	14,600	14,600	14,800	14,800	14,800	14,800	14,700	14,700
Wales	Total	52,000	67,300	53,500	69,400	57,700	75,300	60,700	79,400	62,600	82,200
Great Britain	Older person	511,700	720,200	532,900	750,000	595,200	837,700	644,000	906,300	684,800	963,800
Great Britain	Working age	301,900	301,900	304,400	304,400	309,300	309,300	311,800	311,800	310,800	310,800
Great Britain	Total	813,600	1,022,100	837,300	1,054,400	904,500	1,147,000	955,700	1,218,100	995,600	1,274,700

Source: Sheffield Hallam University estimates

Note: Columns may not add to total due to rounding.

See Chapter 5 for the assumptions underpinning the projections. The lower estimate assumes that all local authorities realise the 15th percentile rate of provision for supported housing for working age adults and the 30th percentile for older people. The upper estimate uses the rate of provision achieved in the top 15th percentile rate of provision for supported housing for working age adults and older people in all local authorities.

Appendix A2: Housing support services in Scotland

In Scotland, legislation sets out the following list of prescribed housing support services that can be commissioned by local authorities with funding received from the Scottish Government (Housing (Scotland) Act 2001 (Housing Support Services) Regulations 2002, SSI 444/2002).

Prescribed Housing Support Services

1. General counselling and support including befriending, advising on food preparation, reminding and non-specialist counselling where this does not overlap with similar services provided as personal care or personal support.
2. Assisting with the security of the dwelling required because of the needs of the service user.
3. Assisting with the maintenance of the safety of the dwelling.
4. Advising and supervising service users on the use of domestic equipment and appliances.
5. Assisting with arranging minor repairs to and servicing of a service user's own domestic equipment and appliances.
6. Providing life skills training in maintaining the dwelling and curtilage in appropriate condition.
7. Assisting the service user to engage with individuals, professionals and other bodies with an interest in the welfare of the service user.
8. Arranging adaptations to enable the service user to cope with disability.
9. Advising or assisting the service user with personal budgeting and debt counselling.
10. Advising or assisting the service user in dealing with relationships and disputes with neighbours.
11. Advising or assisting the service user in dealing with benefit claims and other official correspondence relevant to sustaining occupancy of the dwelling.
12. Advising or assisting with resettlement of the service user.
13. Advising or assisting the service user to enable him or her to move on to accommodation where less intense support is required.
14. Assisting with shopping and errands where this does not overlap with similar services provided as personal care or personal support.
15. Providing and maintaining emergency alarm and call systems in accommodation designed or adapted for and occupied by elderly, sick or disabled people.

- 16.** Responding to emergency alarm calls, where such calls relate to any of the housing support services prescribed in other paragraphs of this Schedule, in accommodation designed or adapted for and occupied by elderly, sick or disabled people.
- 17.** Controlling access to individual service users' rooms.
- 18.** Cleaning of service users' own rooms and windows.
- 19.** Providing for the costs of resettlement services.
- 20.** Encouraging social intercourse and welfare checks for residents of accommodation supported by either a resident warden or a non-resident warden with a system for calling that warden where this does not overlap with similar services provided as personal care or personal support.
- 21.** Arranging social events for residents of accommodation supported by either a resident warden or a non-resident warden with a system for calling that warden.

Appendix A3: CORE data on tenant characteristics

The Ministry of Housing, Communities and Local Government collects data for all new tenancies in social housing in England through CORE (the continuous recording of lettings and sales in social housing in England). This system records information on new lettings and sales for both local authority and private registered provider properties. This includes data on the characteristics of new social housing tenants, their household circumstances and the homes they rent and buy. All providers delivering affordable rent units are obliged to provide data on CORE.

National data on social housing lettings from CORE is available on the Ministry of Housing, Communities and Local Government website: [Social housing lettings](#). The national data reported is drawn from 2021/2022 published tables which weights the data to account for local authority non-response. The local authority data has been drawn from the CORE [sub-national data dashboard](#) and is not weighted for non-response.

CORE data presented on tenant characteristics in Appendix A3 draw on an analysis of 2021/22 CORE data from the sub-national data dashboard. Newly published national CORE tables for 2022/2023 became available at a late stage of drafting this report. It was not feasible to incorporate them here. However, tenant characteristics are likely to remain broadly stable over the period of a year. The 2022/2023 CORE data on national average rent levels have, however, been incorporated into Chapter 7.

Table A3.1: Characteristics of new social housing tenants by local authority type and at national level, 2021-2022, percentages

Characteristics	District Council per cent	London Borough per cent	Metropolitan District per cent	Unitary Authority per cent	England (weighted) per cent
Gender (lead tenant)*					
Male	50	59	57	56	55
Female	49	41	43	44	45
Other	<1	<1	<1	<1	<1
Age (lead tenant)*					
Working-age (16-64)	68	86	74	75	73
Pension-age (65+)	32	14	26	25	27
Economic status (lead tenant)*					
Retired	35	15	33	29	31
Unable to work due to sickness	20	13	20	22	20
Not seeking work	19	22	18	21	19
Jobseeker	12	33	19	16	17
Other	5	9	5	4	5
Full time work	6	4	3	4	5
Part time work	4	5	2	3	3
Ethnicity (lead tenant)*					
White	90	49	83	88	83
Black or Black British	3	29	6	4	7
Asian or Asian British	2	9	5	2	4
Chinese or Other ethnic group	3	6	4	3	4
Mixed	2	7	2	2	3
Homeless status prior to letting (household)					
Not statutorily homeless	84	88	84	80	83
Statutorily homeless	16	12	16	20	17

Table A3.1 (cont.)

Characteristics	District Council per cent	London Borough per cent	Metropolitan District per cent	Unitary Authority per cent	England (weighted) per cent
Household composition					
Single elder	41	21	34	32	35
Single male	27	46	37	36	34
Single female	19	27	20	21	21
Elder couple	6	1	3	4	4
Single female with child(ren)	4	4	4	4	4
Other**	3	1	2	3	3
Housing related benefits received (households)					
Housing Benefit	45	47	56	53	50
Don't know	30	31	24	25	27
No housing related benefits	16	13	13	14	15
Universal Credit housing element	10	11	9	11	8
Ever served in the UK Armed Forces as a regular or reserve (household)					
No	97	100	98	97	98
Yes	3	<1	2	3	2
Total	100	100	100	100	100

Source: CORE (Continuous Recording of Lettings and Sales in Social Housing in England), 2021-22

Note: The national data reported is drawn from 2021/22 published tables which weights the data to account for local authority non-response. The local authority data has been drawn from the CORE sub-national data dashboard and is not weighted for non-response.

Sample sizes per variable between 57,609-72,766.

*Missing data for these fields have been imputed for cases when it was refused.

**Includes: Other, Couple, Couple with child(ren) and Single male with child(ren).

Table A3.2: Characteristics of new social housing tenants by local authority type, 2021-2022, percentages

	District Council per cent	London Borough per cent	Metropolitan District per cent	Unitary Authority per cent
Primary client group for the Supported Housing scheme				
Older people with support needs	58	29	50	49
Homeless people and rough sleepers with support needs	21	34	27	27
People with illness and/or disability	8	9	7	8
Young parents/young people at risk	5	16	7	8
Vulnerable women and people at risk of domestic abuse	5	7	4	4
Other	2	3	4	2
People with substance abuse problems	1	2	1	2
Physical/mental health conditions/illnesses lasting or expected to last for 12+ months (household)				
Yes	61	44	53	58
No	39	56	47	42
Disability-related adaptation requirements				
No	64	86	71	70
Yes	36	14	29	30
Level of required support services				
Medium levels of support to an accommodation-based support service	57	46	61	58
Low levels of support to an accommodation-based support service	25	28	22	24
High levels of care/support to care home/similar provision	18	26	17	18
Other*	<1	<1	<1	<1
New or existing tenant to the social housing sector**				
Already in the sector	66	70	66	69
New to the sector	34	30	34	31
Total	100	100	100	100

Source: CORE (Continuous Recording of Lettings and Sales in Social Housing in England), 2021-22

*Includes: Resettlement support, nursing care services to a care home and floating support.

**New to the sector means that immediately prior to this new letting, the tenant wasn't living in the social housing sector.

Table A3.3: Average household income of new social housing tenants by local authority type, 2021-2022

	District Council Median weekly income	London Borough Median weekly income	Metropolitan District Median weekly income	Unitary Authority Median weekly income
Average of Income (Median weekly Income (£))	£223	£221	£202	£220
No of incomes used for median:	5,744	1,234	4,595	5,567

Source: CORE (Continuous Recording of Lettings and Sales in Social Housing in England), 2021-22

Table A3.4: Characteristics of new social housing properties by local authority type, 2021-2022

	District Council per cent	London Borough per cent	Metropolitan District per cent	Unitary Authority per cent
Unit type				
Self-contained flat or bedsit with common facilities	41	33	34	37
Self-contained flat or bedsit	29	23	35	26
Shared house or hostel	18	39	22	27
Bungalow	11	<1	5	8
Shared flat	1	4	1	1
Self-contained house	<1	1	2	1
Mobility level designed into property				
Property fitted with equipment and adaptations (if not designed to above standards)	41	34	40	42
None	37	50	40	37
Property designed to wheelchair user standard	16	12	13	14
Property designed to accessible general standard	6	4	7	7
Property built or adapted to wheelchair user standards				
No	75	87	74	76
Yes	25	13	26	24
Total	100	100	100	100

Source: CORE (Continuous Recording of Lettings and Sales in Social Housing in England), 2021-22

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