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# **The Supported Housing (Regulatory Oversight) Act 2023**

Decision to be taken by: Cllr Dawood & Cllr Cutkelvin

Decision to be taken on/Date of meeting: 6 May 2025

Joint - Adults Social Care & Housing LMB:

Lead Directors:

Chris Burgin - Director of Housing

Kate Galoppi Adult Social - Care & Commissioning

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## Useful information

- Ward(s) affected: All
- Report author: Angelita Dyer
- Author contact details: Angelita.dyer@leicester.gov.uk
- Report version number: V4

### 1. Summary

- 1.1 To provide an overview of the Supported Housing (Regulatory Oversight) Act 2023, which came into force on 29 August 2023 specifically dealing with the provision and oversight of supported exempt accommodation (SEA) and the impact of its implementation for Leicester City Council.

### 2. Recommended actions/decision

- 2.1 To consider the content of the Support Housing (Regulatory Oversight) Act 2023 and consult on necessary measures to assist with its implementation within the supported housing sector within Leicester.
- 2.2 To agree the resources required to start planning the implementation of the legislation to regulate supported housing in the city.

### 3. Background

- 3.1 The Supported Housing (Regulatory Oversight) Act 2023<sup>1</sup> became law on 29 August 2023 following a Private Members' Bill proposed by Bob Blackman MP. The aim of the Act is to tackle issues around the quality of the accommodation, care and support being provided in supported exempt accommodation. Prior to the Act being enacted there was no legislation in place regulating supported housing and the standard of support provided to residents, or giving enforcement powers to local authorities to tackle the issues which were being raised in relation to the quality of service provided. It had been identified that some providers were seen to place profits over the actual provision of care and support.
- 3.2 Supported accommodation is characterised as accommodation which provides residents with care, supervision, or support. It is usually managed by a local authority, housing association, charity, or a voluntary organisation. Examples of supported accommodation include group homes, hostels, refuges, supported living complexes and sheltered housing.
- 3.3 Supported exempt accommodation (SEA) is housing where vulnerable adults are supported to live independently and includes the following:
- Care leavers
  - Survivors of domestic abuse

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<sup>1</sup> [Supported Housing \(Regulatory Oversight\) Act 2023](#)

- People with substance dependencies
- People with mental health illness
- Refugees
- People recently released from prison.

3.4 Supported accommodation which meets the definition of being SEA are exempt from the usual caps on housing benefit levels, meaning that residents can receive a higher amount of housing benefit than usual. This additional housing benefit usually assists with the costs of providing care and support.

#### **4. Areas covered under The Act**

4.1 The Act covers the following areas:

- Section 1: Supported Housing Advisory Panel
- Section 2: Local Supported Housing Strategies
- Section 3: National Supported Housing Standards
- Section 4-5: Licensing
- Section 6: Consultation
- Section 7: Local housing authority functions
- Section 8: Planning
- Section 9: Homelessness
- Section 10 & 11: Sharing information related to supported exempt accommodation and use of information
- Section 12 & 13: Interpretation and final provisions

##### **4.1.1 Section 1 of The Act - Supported Housing Advisory Panel**

Section 1 of the Act requires the government to create a Supported Housing Advisory Panel before the end of the first year of Acts enactment. The panel will provide information and advice about supported exempt accommodation to the Secretary of State, local authorities, and social services departments.

The panel must include at least one person who represents the interests of different key groups including:

- Social landlords
- Local authorities
- Social services
- Charities providing supported exempt accommodation.
- Residents of supported exempt accommodation.

##### **4.1.2 Section 2 of the Act - Local Supported Housing Strategies**

Under section 2 of the Act local authorities must carry out a review of supported exempt accommodation in their area and following this publish a supported housing strategy. This review must include the authority's assessment of all supported exempt accommodation available in its area and the expected need for this accommodation in the next five years.

The government will publish regulations stating the date by which local authorities must comply with this requirement.

Local authorities and social services departments must have regard to the supported housing strategy once it has been published.

#### 4.1.3 Section 3 of the Act - National Supported Housing Standards

Section 3 of the Act will allow the Secretary of State to create National Supported Housing Standards, which will set out minimum standards for supported exempt accommodation. The standards will address the type and condition of accommodation, as well as the care and/or support provided. It is not currently known what the standards will specify and there is no set date for these standards to be introduced.

#### 4.1.4 Sections 4 & 5 of the Act - Licensing

Section 4 provides the Secretary of State with the authority to make regulations requiring individuals with control of or managing supported exempt accommodation to obtain and comply with a licence issued by the relevant local housing authority. Regulations adopted under section 4 will aim to ensure compliance with National Supported Housing Standards.

Section 5 outlines the scope of issues that licensing regulations may include, such as enforcement, consequences of non-compliance, exemptions, and fees. Existing local authority enforcement powers for housing offences, including banning orders and rent repayment orders, may be applicable.

#### 4.1.5 Section 6 of the Act – Consultation

Section 6 relates to the government consulting statutory consultees before exercising the power to make licensing regulations under Section 4(1) and 4(3) of the Act. These statutory consultees include the National Housing Federation and the Regulator of Social Housing.

#### 4.1.6 Section 7 of the Act – Local housing authority functions

Under section 7 of the Act a local housing authority must, in the exercise of its functions under licensing regulations, have regard to National Supported Housing Standards (if any) and any guidance issued by the Secretary of State for the purposes of Licensing regulations.

#### 4.1.7 Section 8 of the Act – Planning

Under section 8 a new duty is placed on the Secretary of State to review the effect of the licensing requirements within three years of regulations being made. It will focus on the type and condition of premises used as exempt accommodation and the standard of care, support and supervision provided. Once the review has been conducted the Secretary of State is required to consider whether to exercise power under section 55(2)(f) of the Town and Country Planning Act 1990 to specify exempt supported accommodation as a use-class which would require planning permission in certain circumstances.

#### 4.1.8 Section 9 of the Act - Homelessness

Section 9 of the Act will amend section 191 of the Housing Act 1996 (Intentionality) with regard to anyone who is leaving supported exempt accommodation which means that anyone in this category will not be treated as intentionally homeless where the reason for leaving related to the standard of the accommodation or care, support or supervision provided, and if the accommodation does not meet the National Supported Housing Standards.

#### 4.1.9 Sections 10 & 11 of the Act - Sharing of information relating to supported exempt accommodation

Section 10 of the Act gives the government power to make regulations relating to information on exempt accommodation which may be shared:

- by a local authority in England;
- a registered provider of social housing in England;
- the Regulator of Social Housing;
- the Secretary of State.

Information sharing must ensure that there is no violation of data protection laws.

Section 11 of the Act provides that information obtained under section 134 of the Social Security Administration Act 1992 (Housing Benefit), or Part 1 of the Local Government Finance Act 1992 (Council Tax) may be used “for any purpose connected with the exercise of any of the authority’s functions under or by virtue of this Act” or for investigating potential offences committed under this Act.

#### 4.1.10 Section 12 of the Act - Interpretation and final provisions

Section 12 of the Act gives definitions for the meaning of supported exempt accommodation.

### 5. Detailed report

#### 5.1 Issues relating to unregulated supported exempt accommodation

The consultation around the debate about supported housing legislation began following negative feedback on several providers of supported exempt accommodation in the media. An enquiry was launched in December 2021 into exempt accommodation due to reports of “*unscrupulous landlords failing to provide the support and care that vulnerable tenants need, or to maintain the properties to a decent standard*”<sup>2</sup> Several areas were raised as areas of concern within the sector which are listed below:

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<sup>2</sup> [Levelling Up Committee launches inquiry into exempt accommodation - Committees - UK Parliament](#)

- No overarching regulation or oversight
- Exploitation of Housing Benefit provisions
- Poor standards of accommodation and care
- Limited planning regulations regarding Houses in Multiple Occupation (HMO) and no requirement to seek a licence to operate certain HMOs where the landlord is a registered provider.
- No specified funding to provide adequate support in exempt accommodation. This cost cannot be covered by Housing Benefit.

## 5.2 Supported Exempt Accommodation in Leicester

5.2.1 Currently within Leicester properties which will come under the new legislation will include hostels, refuges, supported living and supported housing units, whether private landlords, registered providers or future council owned supported housing, as well as accommodation provided by the probation service, adult social care and children services. We are currently aware of approximately 1,218 units of accommodation which are identified as apparent supported exempt accommodation and claiming housing benefit for individuals who are currently registered there, but future investigation work is being carried out.

5.2.2 An initial project board has been set up which is jointly chaired by the Director of Housing and Director of ASC. A project plan is being developed which highlights the work streams required to implement the various areas of the legislation: to establish supported housing provision in the city, establish a partnership board and governance arrangements, develop a supported housing strategy, licencing and regulation, review provision and future commissioning.

5.2.3 The areas that are of particular focus of the project board has been to identify the following work streams which need to be undertaken to ensure that the local authority can implement all areas of the new legislation:

- Establishing supported living provision in Leicester
- Establishing a partnership board and governance arrangements
- Developing a supported housing strategy for Leicester and review current provision linked in with best practice
- Look at licensing and regulation with the Private Rental Sector (PRS) team. This will include developing a gateway, establishing fees and resourcing for the scheme, developing an inspection regime using a proforma which includes the support and property aspects, enhanced scrutiny of new and existing Housing Benefit claims and establishing a new or extending the current PRS team to carry out the additional work
- Review of supported housing provision
- Future Commissioning to be led by Adult Social Care and Housing

5.2.4 A major part of the work to be carried out will centre around the needs assessment for Leicester. This will include looking at the information which is in the current local housing needs assessment and data which is being held by Adult Social Care. There needs to be an understanding of how the current provision of supported housing is being facilitated in Leicester and also look at the current need, future need and referral processes into supported housing. This will also include the creation of new pathways to enable all residents of Leicester the opportunity to access supported housing as and when needed.

5.2.4 Significant progress has been made to map out provision using business as usual resources, but to take the project forward a dedicated project manager is required. There are already in place several linked strategies in ASC and Housing, and we have a Private Sector Licencing Team.

5.2.5 Several local authorities have started this work and have already developed supported housing strategies including Birmingham and Bristol. Although we are still waiting on central government to carry out consultation on the implementation of this legislation, the portfolio will sit under Rushanara Ali MP.

5.2.6 The benefits of progressing this work and starting to consult with and inform local providers is that we can more accurately identify what provision is out there, start having an impact on the quality and standard of provision and identify access pathways. It will also in the long term help us identify duplication and gaps to enable better commissioning to meet the supported housing needs of Leicester, to achieve value for money and reduce the supported housing bill in Leicester.

#### 5.2.7 Planning Implications

In planning terms any new supported housing Use Class should be reviewed as part of a wider range review of Use Classes C2 & C3 to allow for clearer planning considerations and outcomes. There is currently an ambiguity about which use class types of supported housing fall into- a separate use class could resolve this doubt, providing other residential use classes are reviewed at the same time.

There are limitations of how the planning system can enable more effective regulation of supported living/residential care. Planning is primarily concerned with development and land use- it is not the role of planning to monitor management of care homes. The need for privacy and safety of residents needs to be reconciled against the planning application requirements to be publicised with a clear description of development.

#### 5.2.8 Housing Benefit Implications

Service impacts are difficult to accurately predict, bearing in mind the changes proposed include additional criteria based on successful licensing (partially defined), a potential new definition of “personal care” (defined) and a potential new definition of “care, support and supervision” (not defined), as well as other potential changes such as mandating the provision of evidence. Its likely direct impacts will however include:

- Resource required to support the new licensing regime, particularly in respect of existing schemes for which evidence and operational data is retained;
- Inter-department cooperation to ensure consistent decision-making between Housing Benefit & the licensing regime, including shared data, evidence and the outcome of site visits etc;
- Likely increased volume of disputes requiring reviews, Appeals preparation and Tribunal Representation;

- Likely increased contact from households concerned regarding changes, and seeking support and alternative accommodation if adverse decisions are subsequently made;
- Increased administration as schemes either reconfigure or close, and as households are displaced between accommodation within the city.

5.2.9 Adult Social Care Implications: The introduction of the Supported Housing (Regulatory Oversight) Act is welcome as it will enable us to better manage and track future schemes and ensures developments are either built or designed (if existing buildings) with the support of the department to a good standard and reassurance about the levels of care and/or support to be provided. It should be noted though it will add additional burdens across the authority to support a successful implementation.

5.2.10 The Supported Housing (Regulatory Oversight) Act will facilitate the provision of good quality accommodation, with the range of checks and balances it introduces to ensure that it caters for people with diverse needs ultimately enabling them to live an ordinary life in a place they can call home.

5.2.11 Adult social care has access to a range of supported living accommodation across the city. Most of these schemes provide support to those with mental ill health and learning disabilities. This model of housing and support can help people retain or regain skills and confidence and prevent needs or delay their deterioration wherever possible. Our supported living services therefore can offer a way of achieving the vision as expressed in the Care Act for preventing and delaying the care and support needs of adults in the city.

5.2.12 The importance of supporting people to live as independently as possible, for as long as possible, is a guiding principle of the Care Act 2014. The 'suitability of living accommodation' is also one of the nine areas of wellbeing that local authorities must pay attention to when looking at the needs of an individual.

5.2.13 Properties are generally self-contained flats for rent. Schemes incorporate appropriate design features, additional security, and communal lounges/café. In supported living, the type and frequency of support will vary; some people may need a few hours a week, whilst others might require 24-hour support. The key factor that differentiates extra care from sheltered housing or other forms of retirement living is the presence of care staff onsite.

5.2.14 Adult Social Care (ASC) has access to 698 units of supported living accommodation which is used to support people with statutory care needs. These units are spread across 112 schemes. These schemes are either owned by the council, private landlords or are provided by registered social landlords.

5.2.15 The city council launched its [ten-year strategy for supported living and extra care](#) in 2021, since then we have worked to try and achieve key developments in line with the strategy and will continue to do so.

5.2.16 In relation to care and support, it should be noted, there is an element of surveillance in place for some sections of the ASC market delivering that care and/or support through formal contractual routes. The markets may also be subject to inspection by the regulator of Social Care – the Care Quality Commission, who have



responsibility for the registration and rating of the services delivered by providers who offer personal care in these types of settings.

5.2.17 However, there is a section of the market where oversight is welcome particularly for those arrangements which are made directly between the provider and the individual through a direct payment mechanism which may have no commissioner involvement as to the arrangements.

5.2.18 The licensing function will require the creation of a dedicated team within the Housing Regulation side of Regulatory Services. The team will receive and process applications, carry out property inspections, issue licences, monitor during the licensed period, and enforce where required. The team will need support and input from Housing / ASC in relation to the supported living aspects of the scheme. The scheme should be cost-neutral and therefore it is anticipated that a fee-setting exercise will be necessary to ensure that the fees paid by applicants/ licence holders fully meet the cost of running the service. It should be noted that this remains an area of uncertainty until the regulations are published. By recruiting a specific team for this area of work there should be no additional impact on other work within Regulatory services, although it will add to the workload of the Service Manager and Head of Service.

### **5.3 Next Steps**

5.3.1 To agree to the recruitment of a dedicated project manager to take this work forward, taking a joint approach across departments and external partners.

5.3.2 To agree to resource the project and the early implementation. we need to establish if there is sufficient new burdens funding or be able to access the Corporate Transformation Fund.

5.3.3 The national consultation on the legislation is taking place and the response from LCC has been drafted and can be accessed via the link. In summary our response to the consultation is broadly supportive but due to the level of detail and the requirements of the standards being proposed it was difficult to have overall consensus, as the impact will be different for each department. It was felt that one size may not fit all providers, smaller providers may find it more challenging to comply with the standards and that may impact market availability to meet current and future need.

## **6. Financial, legal, equalities, climate emergency and other implications**

### **6.1 Financial implications**

The implementation of the Act is going to require extra resourcing, to cover elements affecting both the general fund and the HRA. Finance are currently unaware of any New Burdens or similar grant funding, therefore, both the general fund and HRA will have to contribute towards any measures required to ensure LCC are complying with the act. Once a strategy has been agreed to comply with the act Finance can review what the wider financial impact to LCC will be. The impact on private sector supported housing will also have cost implications on LCC, due to Housing Benefit often not covering the full cost of the

property and supported services. If a decision progresses relating to this, then Finance would like to review again for any updated financial implications.

Jade Draper, Principal Accountant  
23/04/2025

## 6.2 Legal implications

## 6.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The report provides an overview on the content of the Support Housing (Regulatory Oversight) Act 2023 and the necessary measures to assist with its implementation within the supported housing sector in Leicester. The legislation aims to introduce new regulations to tackle any poor quality supported exempt housing and protect residents. This should have a positive impact on vulnerable adults who as tenants will be from across a range of Protected characteristics by ensuring that they are provided with suitable support to live independently and help towards meeting the aims of the PSED.

It is important to ensure equality considerations are taken into account as an integral part of the project plan that is being developed and the associated workstreams required to implement the legislation. It is recommended that Equality Impact Assessments are carried out as appropriate for example, when reviewing provision, developing a supported housing strategy, etc, and to take into account the demographic profile of the city.

Carrying out an EIA is an iterative process, which should be revisited throughout the decision-making process and updated to reflect any feedback/changes due to consultation as appropriate. The EIA findings should be shared with decision makers, throughout the process, in order to inform their considerations and used as a tool to aid consideration around whether we are meeting the aims of the PSED, and to further inform the work being progressed on implementing the Support Housing (Regulatory Oversight) Act 2023.

Sukhi Biring, Equalities Officer  
18 December 2024

## 6.4 Climate Emergency implications

Housing is responsible for around a third of Leicester's overall carbon emissions. Following the city council's declaration of a Climate Emergency in 2019 and its aim to achieve net

zero carbon emissions for the city and council addressing these emissions is vital to meeting our ambition, particularly where the council has a higher level of influence and control.

The implementation of this regulation should include consideration of all opportunities to incorporate measures to improve the energy efficiency of supported exempt accommodation in the city, taking into account the new standards once these have been developed. Alongside reducing carbon emissions, this has a direct link to improving the condition of this accommodation, through tackling cold homes, increasing comfort and reducing energy bills.

Aidan Davis, Sustainability Officer, Ext 37 2284  
17 December 2024

6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

**7. Background information and other papers:**

**8. Summary of appendices:**

**9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

**10. Is this a “key decision”? If so, why?**