



## Exempt from Responsibility?

Ending Social Injustice in Exempt Accommodation  
Research and Feasibility Report for Commonwealth Housing





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# Foreword - Commonweal

**Commonweal is driven by curiosity to explore housing solutions to social injustice. More specifically, we are curious about the holes in existing systems, which are too often accepted as something to be expected. For many organisations, a measure of success may be “for every 100 people we help, 90 are successfully housed.” At Commonweal, we applaud such successes, but our primary concern is for those ten individuals for whom the system doesn’t work.**

In recent years we have gained increasing recognition for our pilot housing projects, which aim to explore how gaps in existing provision might be filled. We run our projects in partnership with expert charities to address a range of social injustices, and we have been lucky to see the far-reaching benefits of these for hundreds of residents over the years.

However, we are first and foremost an action learning charity. At the heart of our partnership work is our curiosity, our objective to learn what worked and what didn’t, and to share this learning to influence wider policy and practice. Our support of research and feasibility studies alongside our projects - including this latest research undertaken by University of Birmingham and Spring Housing Association - plays a crucial part in our action learning work.

The findings of this report are stark. That over 11,000 people in Birmingham – and many thousands more across the country - are living in potentially unsafe and unsuitable ‘exempt’ accommodation should concern us all. Residents interviewed for this report described feelings of ‘entrapment’ in financial instability; exclusion from decision-making processes; lack of control over where, and with whom, they are housed.

At the same time, the nature of too many of the business models involved in this space are causing some concern, not least inflation linked leases from property owners requiring ever rising rents. In addition the deficit- based tenant modelling - talking up your tenant’s weaknesses to justify your income stream – is all too common, and a tricky place to be morally especially where there remains little oversight.

The ‘don’t ask don’t tell’ nature of some of the governance and regulation of this sector is alarming. Of course everyone accommodated in the exempt accommodation sector is in need of a home. But asking no questions simply because this sector is putting a roof over a head is not good enough.

In particular the exempt accommodation sector is too often the only housing available for the marginalised, the overlooked, the undervalued and the de-valued in society. They are the women who find themselves here after fleeing domestic violence, as their only housing option. They are the individuals leaving the criminal justice system, with no stable foundations on which to rebuild their lives. They are those moving on from the extremes of homelessness. They are seeking stability; wanting to work but too often unable to whilst trapped in high rent accommodation or at worst discouraged by landlords from doing so.

In the exempt accommodation sector they are all under the same roof: too often simply because ‘no-one else will’ take them.

It is imperative to continue working with landlords and organisations who are willing to house those who ‘fall through the gaps’ or are seemingly excluded from mainstream housing provisions, due to their circumstances or status. But this necessity should not blind us to accepting poverty of standards, poverty of management or poverty of aspirations and opportunities.

This report is a call for better information, regulation and scrutiny to ensure that ‘exempt’ housing is a legitimate and safe option for everyone who needs it: rather than a call to close it down completely.

I have always maintained that we are privileged in our work at Commonweal to be able to do the trying and testing, not just the tried and tested. It is a further privilege to be able to facilitate this for our partners by supporting their vital research. Our support for this research is the latest example of Commonweal helping to shine a light on a system that is absolutely meeting the immediate needs of some, but is causing real harm for too many others.

We have seen efforts in recent years to examine, scrutinise, and review the provision in this sector. The recommendations in this report are a call to action for national and local government, to address the accountability deficit in this sector once and for all.

I look forward to seeing the wider impact of these findings on the exempt accommodation sector with continued urgent curiosity.

**Ashley Horsey** , Chief Executive, Commonweal Housing

# Foreword - Spring Housing

**Birmingham City Centre, like so many things in 2019, has become increasingly polarised: two cities existing side by side, separated by status and rights. Urbanisation is now a classic tale of the haves and have-nots - some profit immensely while others struggle to survive; the result of policies and state inaction that have elevated some at the expense of others. One of the most tragic manifestations of this sort of inequality is persistent and rising homelessness; people left without the protection of a physical space or the security to which they are entitled through basic human rights.**

The most common perception of homelessness, and the most visible to us all, is of people who are forced to live in the open; eating, sleeping and staying in our public spaces; often subject to daily public scrutiny, condemnation and increasing violence. This is to where most attention is drawn, not least by our current government, with so much state intervention (and finance) driven towards rough sleeping.

Countless others are much less visible and thus neglected; often in more ways than one. Many of these 'invisible' people are currently hidden in unregulated, non-commissioned exempt accommodation. This report highlights the accountability deficits and the social inequalities of this sector in its rawest forms.

Thea, our report's author, throughout her work on this issue over the past few years has always reiterated (either publicly or in private) that there is a much-needed place for non-commissioned exempt accommodation. Think of the domestic abuse refuges creating safety and saving lives; or the homeless housing plus centres which provide safety and comfort for both the young and the old. Look also to the NHS long term plan, with the reduction of residential care; the closure of long-stay hospitals and institutions and the creation of alternative supported living services.

These are all examples of non-commissioned accommodation at its innovative best; supported by housing benefit and acting as a true enabler to a safer and more independent life for our most vulnerable groups.

However, it is undeniable that we have seen the emergence of more commercially-minded 'umbrella' style registered housing providers entering this space in recent years. These providers are shifting the landscape of public investment in, and the 'on the ground' operation of, services for people who are at risk of homelessness. This style of provision is increasingly replacing depleted statutory services, often without strategic or operational oversight.

This newer style of provision can - and does - have a place. It can play a significant role in the prevention of homelessness in all its forms and we would never suggest that the 'solution' is to cut off or reduce much-needed supply. However, at its worst, this provision is where 'hidden' homelessness manifests itself most sharply; in precarious housing conditions, without appropriate services, support or security of tenure.

All too often, still, homelessness is considered a personal and a moral failing, rather than a structural and political problem that lays bare the growing inequalities in our society. Many people experiencing homelessness still face stigmatisation, criminalisation and discrimination because of their status as an 'underserving' population. It is often people experiencing homelessness, who have so little power or control, that become financial commodities; placed into unregulated non-commissioned exempt accommodation with little to no choice over the provider, the area they live in, or who they live with. Tragically, we know first-hand that this can lead to both social and personal harm.

Fundamentally, for non-commissioned exempt accommodation to truly move away from its designation as a cause of social injustice, and instead take a key role in addressing it, we need to push for significant reform. Shifting emphasis in government policy, strengthening existing regulation and, I believe, tackling the ethical issues around service delivery and practice are key areas for change.

Over £1.72 billion is spent on housing benefit for people of working age, equating to £9,000 per person, per year. That is a huge public investment, and our report has outlined how, without meaningful oversight, this investment can far too easily harm the people it is intended to help.

We hope our work on this complex, lesser-known sector has also opened up a wider question about the type of society we want to be, and whether we are willing to be honest, constructive and bold about what we need to do to change a system that has too often left people who should be at its centre on the margins.

**Dominic Bradley**, Group Chief Executive, Spring Housing Association

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# About Us

This is a partnership project led by Thea Raisbeck. The first workstream was undertaken by the Housing and Communities Research Group in collaboration with Spring Housing and Birmingham Safeguarding Adults Board (BSAB) between January and October 2018. This preliminary, exploratory phase sought to understand and improve the non-commissioned exempt accommodation sub-sector in Birmingham. It aimed to reduce risk and enable choice for the estimated 11,000 vulnerable people who rely on this form of accommodation. This work has already had significant impact at local level and has led to a more strategic consideration of the role and function of non-commissioned exempt accommodation in Birmingham. The report has also attracted interest and engagement from national level stakeholders such as the Ministry of Housing, Communities and Local Government and the Regulator of Social Housing. Following initial work, we hope to attract other partners and to positively influence commissioning and regulation in Birmingham, and the proposed development of a national, 'robust oversight regime' for supported housing announced by central government in August 2018.

This current project, commissioned by Commonweal Housing, has allowed us to widen the scope of our focus on exempt accommodation. Whereas the initial report for BSAB focused on setting out some of the concerns around risk and safety largely at referral level, new research funding has enabled us to explore and clarify this element in greater depth, alongside further key social injustices present within the sub-sector.

## Spring Housing Association

Spring Housing Association is a West Midlands based housing charity. It was set up to go back the original ethos of the social housing movement to assist those most in housing need.

Tenants are supported by Spring to sustain their tenancies; this includes benefits and money management advice, and signposting into additional support services and employment and training schemes.

Spring are the lead organisation for this project.

## Housing and Communities Research Group (HCRG)

<https://www.birmingham.ac.uk/research/chasm/research/housing-communities/about/index.aspx>

Since 2010 HCRG has engaged in research to address policy and practice agendas to combat social injustice and build community participation in housing solutions. The HCRG became involved in exempt accommodation as a result of our work on the future of social housing for Webb Memorial Trust, social lettings agencies for the West Midlands Housing Officers Group and later for Joseph Rowntree Trust and Nationwide Foundation. We have been delighted to support Thea Raisbeck's pathbreaking work on exempt accommodation in Birmingham and to partner with Commonweal Housing for this important project, and for their student bursaries to commemorate the contribution of their former trustee, Jane Slowey, to combating social injustice in housing in Birmingham.

## About the Author:

Thea Raisbeck is the Research and Best Practice Lead at Spring Housing Association and an Honorary Research Fellow within the Housing and Communities Research Group at the University of Birmingham.

## Acknowledgements

Heartfelt thanks must go to all of the residents of exempt accommodation who gave up their time to attend focus groups and interviews, and who generously shared details of their, at times, difficult personal experiences, alongside their ideas for change.

Thank you also to all of the stakeholders who attended workshops, events and meetings, and have continually shown their passion and dedication to tackling and improving the exempt accommodation sub-sector in Birmingham and beyond. Special thanks to staff at Spring Housing Association, and to University of Birmingham students Olivia Craig and Ethan Rose, for their assistance with arranging interviews and engagement sessions, and for their additional information, case studies and insights for the Employment strand.

Finally, thank you to Commonweal Housing for commissioning and providing support for this important work, and for providing helpful comments on earlier drafts. Thanks also to Rashid Ikram of Birmingham City Council for invaluable advice and support with access to and analysis of data, and to Professor David Mullins for his input, guidance and help editing this report.

# Glossary

We have tried to make this report as accessible as possible to readers interested in the social injustices of exempt accommodation. However, the report is replete with technical terms that are necessary to navigate, understand and explain the largely unknown sub-sector of 'exempt accommodation'. It is hoped that readers will find this short glossary helpful reference point while reading the report.

**Article 4:** An article 4 direction is a direction under planning regulations which enables the local planning authority to withdraw specified permitted development rights across a defined area. In the context of exempt accommodation, this would mean that any property, regardless of size, would require planning permission before it could be converted into a multi-occupied dwelling.

**Assured Shorthold Tenancy (AST):** This is the most common type of tenancy in the private rented sector in England. The majority of ASTs are for an initial fixed term of six months, with a smaller amount for an initial fixed term of twelve months. An AST can 'roll over' to a periodic (or monthly) agreement after the fixed term has ended, and if no new fixed-term agreement is signed. ASTs can be ended by the tenant with one month's notice after the fixed term. The landlord can end an AST after the fixed term by giving two months' notice to the tenant, and the landlord does not currently have to give a reason for wishing to bring the tenancy to an end. This notice served by the landlord is called a 'Section 21 notice'. The government have recently launched a consultation to end the use of Section 21 notices, with the aim of giving private sector tenants greater security.

**Birmingham Safeguarding Adults Board (BSAB):** Birmingham Safeguarding Adults Board is a partnership of over 100 organisations including the city council, police, NHS and the fire service, that work with adults with care and support needs. The role of the Board is to make sure that safeguarding arrangements in Birmingham work well to help protect adults with care and support needs from abuse and neglect.

(See [www.bsab.org/about-us/about-us/](http://www.bsab.org/about-us/about-us/) for more information)

**Commissioned Services:** Unless otherwise specified within this report, 'commissioned services' refers to homeless accommodation and housing-related support commissioned, funded and monitored by Birmingham City Council. This funding regime was previously known as 'Supporting People'.

**Department of Work and Pensions (DWP):** is the government department responsible for welfare, pensions and child maintenance policy. Housing Benefit payments for exempt accommodation are wholly, or partly, subsidised by the DWP, but are assessed and administered at local level by relevant council departments.

**Exempt Accommodation:** (also referred to as 'non-commissioned EA' or 'non-commissioned SEA') was introduced into Housing Benefit regulations in January 1996 and defined as: "accommodation which is...provided by a non-metropolitan country council, a housing association, a registered charity or a voluntary organisation where that body or a person acting on its behalf also provides the claimant with care, support or supervision". If a provider or landlord meets these criteria, they are exempt from rent restrictions within the private rented sector and are able to yield rent levels, paid for from housing benefit, far in excess of 'general needs' social sector rents and, often, market rents.

**Housing Benefit** is a means-tested benefit partly or wholly subsidised by the DWP, and administered by a local authority to help those on a low income to pay their rent. Since the introduction of Universal Credit, the majority of claimants are migrating from Housing Benefit onto the 'Housing Element' of Universal Credit. Under the Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014, claimants residing in 'exempt' accommodation remain on Housing Benefit for their housing costs.

**Houses in Multiple Occupation (HMO):** An HMO is a building or a part of a building that is rented out by three or more persons, living as more than one household and who share facilities such as a bathroom or a kitchen. An HMO must be licensed if it meets the definition of a 'large HMO'. A 'large HMO' is defined as a property rented out to five or more people who form two or more households and who share facilities such as a bathroom or a kitchen.

**Licence Agreement:** This gives a person licence, or permission, to occupy a property or room but does not give them the full status and rights of a tenant. An occupier does not have the right to exclusive possession, and licensees have little security. Licence agreements can be ended at short notice: depending on circumstance this can be a notice period of four weeks or within a very short, or 'reasonable' timeframe.



**Local Housing Allowance (LHA):** is used to calculate the level of housing benefit or universal credit housing element a claimant receives if they rent from a private landlord. LHA Rates differ across the country and are set by the Valuation Office Agency based on a designated Broad Market Rental Area; an area within which a claimant might 'reasonably be expected' to live. There are five different rates, depending on how many rooms a household requires.

**Ministry of Housing, Communities and Local Government (MHCLG):** This is a ministerial department, formerly known as the Department of Communities and Local Government (DCLG). It is responsible for UK Government policy in a range of areas, including housing, homelessness, local government, building regulations and planning.

**Permitted Development:** Permitted development rights are set out in the Town and Country Planning (General Permitted Development) (England) Order 2015. They allow certain types of building work and changes of use to be carried out without the need to make a planning application.

Further details of the types of work permitted under these rights are available at:

[https://www.planningportal.co.uk/info/200187/your\\_responsibilities/37/planning\\_permission/2](https://www.planningportal.co.uk/info/200187/your_responsibilities/37/planning_permission/2)

**Quality Assessment Framework (QAF):** This was introduced in 2003 and set out the standards of delivery expected for services that were commissioned under the Supporting People grant funding mechanism.

**Real Estate Investment Trusts (REIT):** is a company that buys income-producing real estate. They enable individual investors and other companies to pool their money together in order to buy properties and profit from any increases in value. In the UK, REITs are public companies listed on a recognised stock exchange such as the London Stock Exchange. They are subject to a special tax regime, so they are generally exempt from corporation tax on their profits derived from their property rental businesses.

**(See <https://www.insidehousing.co.uk/comment/comment/the-risk-of-reits-52135> for more information)**

**Registered Providers (RPs):** Housing bodies registered with the Regulator of Social Housing (RSH). Registration is one condition for eligibility for exempt accommodation rates. However only a small group of specialist RPs, many of them recent registrations, are primarily involved in claiming exempt accommodation rates. We therefore use the term exempt RPs to describe RPs specialising in this field. Landlords wishing to access enhanced funding have formed relationships with these exempt RPs, which we therefore describe as 'umbrella RPs'.

**Regulator of Social Housing (RSH):** The Regulator of Social Housing regulates registered providers of social housing to 'promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs'. It is an executive non-departmental public body, sponsored by the Ministry of Housing, Communities and Local Government.

**(See [www.gov.uk/government/organisations/regulator-of-social-housing/about](http://www.gov.uk/government/organisations/regulator-of-social-housing/about) for more information)**

**Specialist Supported Housing (SSH):** is a specific type of supported housing and, under the Housing Rents (Exceptions and Miscellaneous Provisions Regulations 2016), is described as accommodation 'specifically designed or adapted for people who require specialised services to enable them to live independently as an alternative to a care home, and where the level of ongoing support provided is approximately the same as that provided by a care home' (RSH 2019: 3). SSH must be provided by a registered provider in agreement with a local authority or the NHS and must not receive any public assistance for its construction or acquisition.

**Supporting People:** This was a government grant funding system introduced in 2003. It was administered by local authorities to contracted providers, with the aim of enabling vulnerable or socially excluded people to maintain or to achieve independence through the provision of housing-related support. The 'ringfence' for Supporting People grants was removed in 2011, and many local authorities no longer have equivalent funding and contracting arrangements in place.

**Universal Credit** is a means-tested social security benefit for working age people and was introduced through the Welfare Reform Act 2012. Universal Credit replaces six benefits: income support; income-based jobseeker's allowance; income-based employment and support allowance; housing benefit; child tax credit and working tax credit, merging them into one monthly payment. Universal Credit is paid in arrears and claimants are currently subject to a five-week 'waiting period' before receiving their first payment.

# 1. Introduction

It seems impossible to escape the notion that this country is in the midst of a 'housing crisis'. The discourse of journalists, academics, politicians, campaigners and charities is replete with references to rising homelessness figures; the lack of social housing; the decline in home ownership and the assortment of affordability challenges that both preclude access to, and contribute to the loss of, suitable and settled accommodation. The more prominent of these narratives often focus on absence and acquisition: on rough sleeping and 'statutory homelessness' as the manifestation of crisis in its most visible forms; or on the stalled home ownership aspirations of 'Generation Rent'. This is despite the existence of a less visible or officially documented 'hidden homelessness' populations, with one analysis suggesting there are up to 51,000 individuals in less regulated or monitored forms of homelessness accommodation (Maciver, 2018), with an estimated 62% of single homeless people currently 'hidden' from support services (Safe Lives, 2017).

A number of charitable and campaigning organisations have, in recent years, attempted to quantify, give prominence to, and investigate the lives of those who form part of 'hidden homeless' populations (Crisis 2011; 2019; Shelter, 2018; Rose et. al. 2016; Maciver 2018). Yet, the experiences and challenges of single adults residing in short-term, transitional or unsuitable temporary forms of accommodation - in the very immediate or material sense, 'housed', but often with little realistic chance of exit or progression - are still largely absent from policy and practice analysis, and too often poorly understood. 'Exempt' accommodation, although not typically isolated into a discrete practice, policy or research category, forms a key part of the single, 'hidden' homelessness population in Birmingham (Raisbeck, 2018). Due to its relative size, growth and often problematic nature, this particular sub-sector has been the focus of increasing concern for both statutory and voluntary sector stakeholders within the City for a number of years.

'Exempt accommodation', as defined within this report, refers to shared accommodation that is not commissioned under local authority homelessness or social care funding, or under specialised supported housing (SSH) arrangements, and which utilises the 'exempt' provisions of current Housing Benefit and Universal Credit Regulations. In such accommodation, rental levels far in excess of private sector Local Housing Allowance Rates can be yielded, merely by such providers meeting a loose regulatory requirement to provide a level of 'care, support or supervision' to claimants. The 'exempt' provisions of Housing Benefit have been in place since 1996 and are an established mechanism of funding, primarily, the housing-related costs of a wide range of supported housing schemes. However, in Birmingham, there has been a particular growth in, predominantly, residential conversions into multiply occupied housing leased from the private rented sector; either to Registered Providers of Social Housing or to charitable bodies, and which utilise the exempt regulations of Housing Benefit to accommodate a wide cross-section of often multiply excluded and disadvantaged groups.

Our first study into this previously unresearched sub-sector, Risk, Safety and Wellbeing in Shared, 'Exempt' Accommodation, was published by the Housing and Communities Research Group at the University of Birmingham in November 2018, in collaboration with Spring Housing Association. This exploratory study was commissioned by Birmingham Safeguarding Adults Board (BSAB) in response to a number of significant concerns about the safety and wellbeing of residents referred or placed into non-commissioned, shared, 'exempt' accommodation, and incorporated data from in-depth interviews with 94 stakeholders involved in the sub-sector. The governing remit of this work was Adult Safeguarding; incorporating relevant regulatory contexts; referral and access mechanisms; housing management regimes, and their subsequent impacts upon resident safety and wellbeing.

This exploratory research identified a range of issues within the exempt sub-sector, operating and often intersecting at regulatory, policy, systems and practice levels. These included:

- The lack of stringent regulation and monitoring around the assessment and dissemination of rental claims at 'exempt' rates
- The lack of effective data recording and monitoring of types of provider, and the geographical locations of units
- The limited ability for a range of enforcement and regulatory avenues to effectively monitor and address the risks to the safety and wellbeing of residents
- The multiple and untracked referral routes into the sub-sector and the varying, or impeded, attention to personal safety and risk mitigation

- The lack of transparency and understanding about what the sub-sector is ‘offering’ to residents, and attendant concerns about whether it is equipped to meet resident need
- The high proportion of multiply excluded, disadvantaged or at-risk individuals feeling ‘forced’ into the sub-sector with little perceived choice, control or awareness of rights and options
- The negative impacts on resident wellbeing, safety and autonomy that result from living in small, shared environments; often with little monitoring or accommodation provider strategies for integration and stability

## 1.1. Engagement with Commonweal

Towards the end of our work with BSAB we began to discuss the issues arising with Commonweal, a national charity with a unique approach to action learning to explore, test and share housing solutions to social injustice. Commonweal declare that they are always open to new partnerships and to finding out more about new or emerging injustices where housing could be part of the solution. We were aware of earlier Commonweal-backed projects, such as Peer Landlord, No Recourse to Public Funds and Freedom2Work schemes, that had some connection with our own work. Commonweal were interested in the exempt accommodation issues we had begun to document, were interested in exploring issues outside of London, and saw the national relevance of the issues we were exploring in Birmingham.

Although the notion of ‘social injustice’ was not expressly articulated within our BSAB-funded report, it was clear that some of the main findings from its relatively narrow lens fell under this rubric, with three areas of particular salience for residents within the ‘exempt’ sub-sector that merited further investigation and consideration: the **risk of social harm**; the **absence of user voice**, and **barriers to employment and social integration**.

Funding from Commonweal has allowed us to foreground, research and more comprehensively investigate the social injustices inherent to the form and functioning of non-commissioned, shared, ‘exempt’ accommodation, and to assess the feasibility and replicability of potential solutions at property, systems and practice levels. Building on our earlier BSAB research, we have now been able to fully explore mechanisms with which to attempt to break the seeming impasse within the sub-sector, which has stymied the potential for change through a combination of erroneous assumptions, poor creation and dissemination of good practice, an absence of transparency and a lack of explicit focus on if – and how – this sub-sector could move away from its more typical designation as a cause or facilitator of social injustice, and instead take a key role in addressing it.

## 1.2. Aims and Methodology

Building on our earlier work *Risk, Safety and Wellbeing* in Shared, Exempt Accommodation, this project aimed to systematise our thinking about the nature of the social injustices involved in the exempt sub-sector and the potential for solutions. This led to four research aims to:

- Fully clarify and articulate the key social injustices within the exempt sub-sector
- Assess the feasibility of potential solutions to the identified injustices
- Propose new ways of working at system, property and practice levels
- Suggest recommendations for further action, development and change

We drew out three types of injustice for analysis using this framework: Social Harm and Risk, User Voice and Employment and Social Integration.

In section 3 of this report we have highlighted the ways in which the exempt accommodation sector has grown **primarily as a response to the exclusion** of large numbers of mainly single hidden homeless people from other more suitable housing options, and is thus likely to continue as a key feature of housing and homelessness systems.

Three **related and specific injustices**: Social Harm and Risk, User Voice and Employment and Social Integration are then explored in Section 4, which clearly defines the nature of the injustice and the contributory factors. The direction of the project following the initial phases of research and engagement overwhelmingly highlighted

<sup>1</sup> Defined as ‘Specified Accommodation’ under The Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014

barriers to employment as the main, or a key, concern and one that held the most scope, and appetite for, realistic change. As such, a decision was taken to focus our in-depth interviews on employment-related issues, and as a result this ‘strand’ of the report is of greater length and holds a higher level of detail on resident experience; something we felt was important to such an underexplored issue.

Section 5 of the report then moves to **consider potential solutions** to the three specific types of injustice, including whether **property-based solutions** could provide appropriate remedies for at least some of the people affected by the injustices or whether more **systemic changes** and **practice reforms** are required to eliminate or ameliorate the injustice. Each sub-section draws on exploratory work with practitioners, residents and other stakeholders and includes examples of current good practice.

Our overall **conclusion** is that, in the main, the problems within non-commissioned exempt accommodation are **systemic; located at the intersection of failing systems** of:

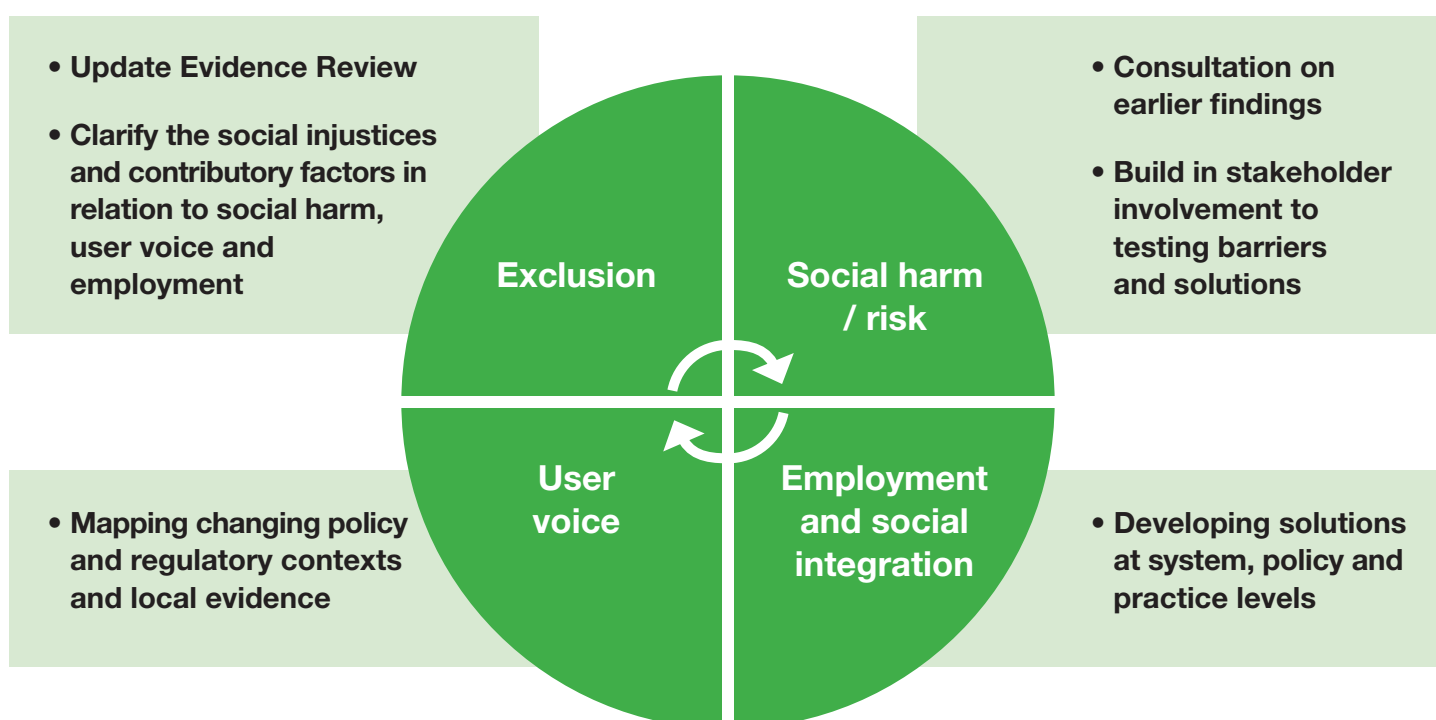
- Commissioned supported housing and more ‘mainstream’ accommodation for low income and vulnerable groups (which often exclude more people than they provide for)
- Housing Benefit (where perverse incentive systems are often delivering funding to some of the least appropriate forms of provision)
- Regulation (where some of the most poorly-managed properties experience the lowest levels of regulatory oversight and interventions are lightest in relation to the impact on residents).

Nevertheless, there is scope for **property-based solutions in relation to employment and social integration**, and clear scope for systemic and practice-based solutions in relation to social harm and user voice. Given the difficulties in influencing major systemic reforms, our report draws inspiration from Madden and Marcuse (2016) in identifying **smaller practice-based reforms** that can be progressed while continuing to argue for the ‘bigger picture’ change that is required. Our recommendations reflect this committed but pragmatic approach that we share with the many practitioners who took part in this research.

## Research Methods used to explore and evidence social injustice and potential solutions:

Our research methodology had 7 main elements:

- Systematic review of our existing evidence base



- Consultation on key findings and recommendations of the earlier BSAB-funded work with over 100 stakeholders and 20 residents
- Additional systematic research and policy review on social harm, user voice, and employment and social integration
- Analysis of recent policy and regulatory change, stakeholder mapping, and exploration of an anonymised download of Birmingham City Council Revenues and Benefits data from November 2017
- 25 new focused interviews with stakeholders and 5 with residents to clarify the nature of the social injustices and the wider applicability of the Birmingham experience nationally
- Case studies on client experiences from Spring Housing and local charities involved in the homelessness sector.
- Workshops and purposive work with providers to explore the potential for property-based solutions and wider system and practice change:
  - Workshops with 15 support staff from 7 organisations, focused on social harm and risk
  - Roundtable with 3 providers, followed up with individual interviews on employment and social integration
  - Consultations on a residents' charter and follow up interviews with 5 Spring staff and 5 other homelessness practitioners for the user voice strand

By combining and triangulating evidence from these sources we have produced an analysis of the social injustices involved in exempt accommodation, the barriers to change, the potential for property-based solutions, and recommendations for wider practice and systems change.

## Scope and Limitations

The fieldwork for this project was relatively small-scale, mostly geographically specific, and largely bound by local policy and practice contexts. It did not intend to provide a comprehensive or fully representative picture of the experiences and circumstances present within the exempt accommodation sub-sector, but to further explore and refine the evidence collected through our previous in-depth research in order to propose, and test the feasibility of, property, systems and practice-based solutions to the most salient issues.

However, as our literature, policy and mapping work has indicated the existence, if not the volume, of this particular sub-sector in other geographical locations, it is hoped that the learning will have wider applicability. Similarly, our literature, policy and practice reviews suggest that many of our findings and proposals will have relevance to a wider remit of supported, shared and transitional accommodation for 'hidden homeless', vulnerable and economically disadvantaged groups not specifically designated under our sub-sectoral definition of 'exempt accommodation'.

[Appendix A provides a more detailed account of our research methodology.](#)

## 2. Background and Context

It is not the intention of this report to analyse in close, technical detail the exempt provisions of Housing Benefit Regulation but, rather, to set out a broad context in order to examine and analyse both causal or contributory factors and remedial potential. This section will outline the exempt regulations of Housing Benefit; the surrounding policy contexts, and the particular local characteristics that form the sub-sector under enquiry.

### What is 'exempt accommodation'?

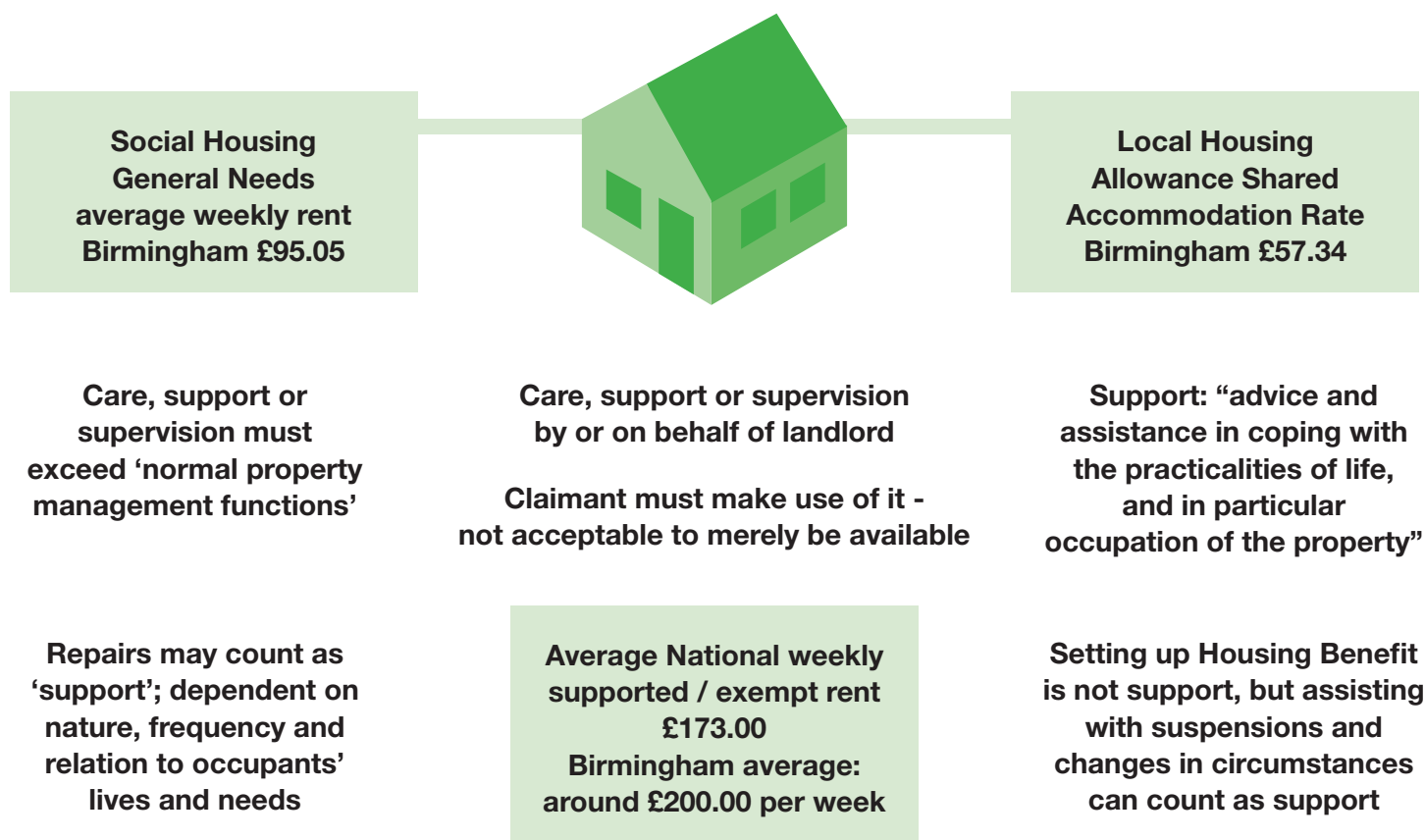
'Exempt' accommodation was introduced into Housing Benefit regulations in January 1996 and defined as:

"Accommodation which is...provided by a non-metropolitan country council, a housing association, a registered charity or a voluntary organisation where that body or a person acting on its behalf also provides the claimant with care, support or supervision"

(Boath et al 2010).

This is, in essence, an exemption from rent restrictions in the private rented sector and was introduced to account for the higher operating costs of providing certain types of supported or supervised accommodation.<sup>2</sup> In monetary terms, this allows qualifying providers to claim rental costs through Housing Benefit that are often far in excess of Local Housing Allowance Rates or social sector 'general needs' rents. The Housing Benefit and Universal Credit (Supported Housing) (Amendment) Regulations 2014 introduced a definition of 'Specified Accommodation', with 'Exempt' accommodation remaining as part of four new categories, whilst retaining the same meaning and provisions (DWP/DCLG, 2016).

Policy analysis, benefits tribunal activity and operational-level research have for some time identified this as a complex and difficult to administer area of Housing Benefit; open to administrative error and variable interpretation, and hampered by loose, often subjectively-interpreted criteria, with the risk of landlords or providers claiming excessive rents whilst providing inadequate accommodation, or inadequate 'care, support or supervision', high (DWP/DCLG, 2016). Despite the granting of higher, 'exempt' rental yields hinging on the presence of 'care, support or supervision', the nature or level required is not detailed in Regulation. Case law has, over the years, qualified it to denote a 'more than minimal' or, 'more than trifling' level, and potentially dependent on an individual claimant's circumstances, rather than on the form the accommodation itself (ibid).



The insufficiently robust regulation governing the administration of exempt accommodation benefit claims and the ability for providers to claim high rental yields in exchange for, sometimes, relatively minimal input, means there is, arguably, an increased incentive for landlords and providers to operate within this sub-sector, rather than let their properties at Local Housing Allowance rates. The existing Regulations hold a high potential for large sums of public money to be effectively ‘signed off’ without sufficient accountability and monitoring of the organisations providing the accommodation and with little correlation between the cost of accommodation to the claimant, and the quality of both ‘bricks and mortar’ and of care, support or supervision.

Whilst it is beyond the scope of this report to set out or analyse in any depth the subsidy rules for exempt accommodation claims, it is important to mention that ‘exempt’ claims under Registered Providers of Social Housing allow the local authority, in most cases, to claim back 100% of the benefit they pay out; whereas with other charities or non-profit organisations, the local authority will have to pay between 40% - 60% of the rental costs themselves, if they are unable to restrict the rent level to that set out by a Rent Officer Determination.<sup>3</sup>

Other local authorities have, in the past, implemented robust strategies to tackle and restrict the growth of exempt provision, sometimes taking an ‘invest to save’ model; employing more benefit staff and retaining specialist lawyers in order to challenge or limit claims and provision, or developing multiagency partnerships to monitor provision and more robustly enforce standards (see, for example, Medway Council, 2012). However, it is pertinent to note that all of these authorities were dealing, largely, with ‘exempt’ accommodation not run by Registered Providers of Social Housing, and so were losing millions of pounds of subsidy; arguably a strong imperative for change and one that Birmingham does not, with its disproportionate amount of Registered Providers utilising ‘exempt’ provisions, currently have.

In addition, the high cost of exempt accommodation means that individuals, whether recouping all of their costs through Housing Benefit claims or not, are paying sometimes five times above the LHA rate and often far in excess of rents on the open market, for accommodation they felt ‘forced’ to accept, and that is inappropriate for their needs, or conducive to achieving independence, wellbeing and stability. This affects all residents of exempt accommodation to an extent, but how ‘sharply’ this is experienced by a resident will depend on a range of factors, including how much choice and information they felt they were given when accepting their accommodation; the condition and location of their property; the perceived potential to move onto better, or more stable, long-term accommodation and their relationships with other housemates and housing provider.

In part due to the opacity and complexity of this particular funding mechanism, and arguably bolstered by the withdrawal or reduction in many localities of funding for homelessness related support services<sup>4</sup>, there have been various motions towards system reform. A government consultation in 2011 changed little but to designate the administration of housing costs for those in ‘exempt’ accommodation as outside of Universal Credit (DWP/DCLG, 2016). More recently, government consultations in 2016 and 2017 on the funding of supported housing have proposed, respectively, to cap rent levels at Local Housing Allowance Rates, with the remainder derived from locally determined ‘top ups’, and to remove all accommodation classed as ‘short term’ from the benefits system and devolve to local authorities to administer at their own discretion (DCLG/DWP, 2017).

Both proposals were largely unpopular within supported housing sectors and were subsequently abandoned. However, the most recent consultation response, published in August 2018, stated a government intention to ‘work with providers, local authorities, membership bodies and resident representatives over the coming months to put together a sound and robust oversight regime’ (MHCLG/DWP, 2018; 24). At the time of writing, it is still unclear precisely what this ‘oversight regime’ will entail, and whether it will contain either the robustness or the specificity required to address some of the more pertinent issues in evidence within the sub-sector in Birmingham. It is clear from public consultation activity that Central Government have been concerned largely with the issues of value for money and questions of need and supply (ibid). As such, it is clear that we cannot wait for or rely upon this proposed ‘oversight regime’ to address our concerns. In particular, as our broader aim is to encourage better practice, and to create innovation and solutions for more marginalised groups at both property management and practice levels, it is necessary to acknowledge that overarching guidance or regulation is not necessarily created to capture and address these elements, and can often inadvertently compound issues at these levels.

<sup>2</sup> The higher rental yields achieved by those providing ‘exempt’ accommodation are not intended to cover the cost of providing the ‘care, support or supervision’, with support costs removed from Housing Benefit altogether in 2003, after the introduction of the Supporting People funding programme. ‘Support’ costs should be funded through external sources, such as additional grant funding, or from revenue generated through charitable activity.

<sup>3</sup> This is a necessarily simplified account of the subsidy rules, for more information, see [www.supportsolutions.co.uk](http://www.supportsolutions.co.uk)

<sup>4</sup> The ringfence for the grant funding regime previously known as ‘Supporting People’ was removed in 2009.

## 2.1 Birmingham: Characteristics of the Exempt Sub-sector and National Comparators

Accurately depicting the scale, scope and types of accommodation utilising the exempt provisions of Housing Benefit is a well-established problem. Previous research from the Department of Work and Pensions has identified weaknesses in the data recorded by local authority benefit departments to sufficiently generate insights into the types or builds of accommodation, their specific locations and the structure of organisations or of provider management arrangements (Boath et. al. 2010; DWP/DCLG, 2016; DWP 2012; 2018). The broad terminology of Specified Accommodation, under which ‘exempt accommodation’ sits, incorporates a wealth of more traditional, alongside newer forms of, provision. These are not always necessarily contained within discrete and easily-identified categories, and so determining accurate numerical data for the particular sub-set of exempt accommodation under enquiry was not possible.

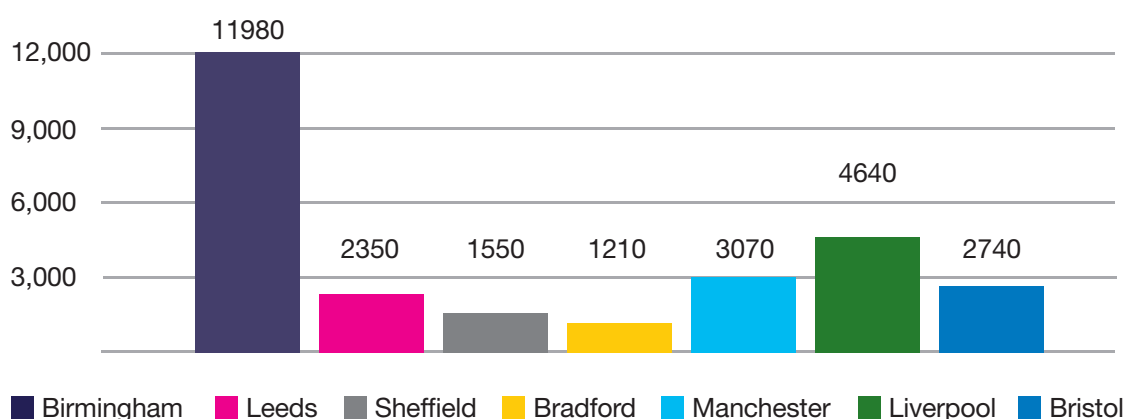
Similarly, this data gap precludes the development of national comparisons of the particular subset of accommodation this project is focused on: non-commissioned, shared residential units, operating as short-term or transitional accommodation and often under the governance of Registered Providers of Social Housing. Our previous research estimated that there were around 10,000 units, or claims, of this type in Birmingham and was based on raw Housing Benefit data and publicly available information on the number of units under the management of the six main locally-based Registered Providers involved in providing this sub-set of accommodation.

Due to the gaps in national and local data recording, it is still not possible to say with a sufficient degree of certainty exactly how many individuals are living within non-commissioned exempt accommodation in Birmingham at any one time. A series of recent Freedom of Information requests to the Department of Work and Pensions by benefits specialists have compared the Housing Benefit returns for specified exempt accommodation submitted by seven major cities in England [see figure 1, below]. This data is unable to provide the granular detail required to compare like for like across geographical locations. Nonetheless, Birmingham had the highest total, with 11,980 claims at December 2018. Recent local authority analysis suggests that, within this, a figure of 11,000 ‘units’ or bedspaces under our definition of non-commissioned exempt accommodation is a reasonable, although unverified, current estimate. It would be difficult to posit further with certainty until national and local data recording practices significantly improve.

However, this is not to suggest that this type and form of accommodation, and thus the relevance and applicability of our work, is solely limited to Birmingham. Despite the fact that Birmingham, for a variety of possible reasons including but not limited to its relative size, has a much higher concentration of claims, information gathered during our scoping work has identified that other areas of the country; in the North West (such as Blackpool); Yorkshire (such as Hull), and the North East (such as South Tyneside), in particular are experiencing comparable issues. Feedback from presentations delivered at conferences and seminars at national level suggests that this broad form of accommodation is familiar and resonant to landlords, homelessness charities and local authority stakeholders.

### HB Claims for Specified Accommodation:

#### 7 Major Cities | December 2018



[Figure 1 data source: DWP FOI 2019/03087 1 February 2019, [www.uksupportedhousing.com](http://www.uksupportedhousing.com)]



## Birmingham: Characteristics

This section will give further clarity and detail to the characteristics of the non-commissioned exempt sub-sector under focus, and to the policy and regulatory environment within which the sub-sector operates, to provide a framework for the subsequent analysis of the key issues affecting those accessing and living within the sub-sector.

### **The specific sub-sector under enquiry incorporates:**

**Small, shared units of accommodation:** many previously residential or family-type homes, often with six or fewer individuals sharing facilities.

**Direct access:** typically, with low, loose, or 'liberal' referral, assessment and selection criteria governing access; often involving few financial, tenancy history or 'suitability' checks beyond an eligibility for welfare benefits and basic demographic information.

**Ostensibly transitional in nature:** Licences are the dominant agreement type, although there is evidence of the use of Assured Shorthold tenancies within some provision.

**Functioning largely on a 'crisis' level:** with time-sensitive, emergency and 'on the day' placements predominating, although this accommodation is being utilised along many points on what might broadly be deemed a 'housing pathway' (see Raisbeck, 2018).

**Accessed by individuals with limited alternative housing options:** related to, variously, social and economic exclusion, the urgency of need, or a lack of knowledge of alternative options.

**Little transparency about what providers are offering residents:** many providers are without websites and there is little evidence of accommodation that specialises in catering for the needs of particular client groups, although it is not possible from currently held data to make any estimates on the number of more 'specialist' units.

**A wide, disparate and untracked range of referral routes and 'points of origin'.** There is no central referral portal or register and no formalised monitoring arrangements for referrals and access across the sub-sector.

## 2.2 Overarching policy and regulatory framework:

### **'Accountability Deficits' and 'Risk Gaps'**

Our previous research identified and explored what were termed a series of 'accountability deficits' and 'risk gaps' within the policy and regulatory environment governing the exempt sub-sector (Raisbeck, 2018: 19). This section will not re-rehearse this in any depth but will detail the broad issues, alongside a new narrative on the conversion of buildings for use in the exempt sub-sector, and more recent developments around, particularly, the regulation of social housing providers. This will set the necessary context for a subsequent analysis of the impact of this type of accommodation on residents, and the feasibility of any property-based, or wider, solutions.

**Housing Benefit:** Housing Benefit Regulations do not, in themselves, take into account the suitability or adequacy of the 'care, support or supervision' for an individual claimant. These regulations also do not examine or account for the professionalism or capacity of the provider; the standard of accommodation or any associated effects on risk or wellbeing from a claimant's living environment.

**Commissioning:** This accommodation is not commissioned by a local authority. This includes any homelessness or housing support funding regimes, any agreement with the local authority for the provision of 'Specialist Supported Housing' (SSH) or social care packages. This means that there are no corresponding assurances and monitoring of safeguarding procedures, staffing levels, project aims and outcomes, and no formalised assessment of the adequacy or suitability of accommodation for individual resident need.

**Lease-based Registered Providers:** Birmingham has a high proportion of units within the exempt sub-sector which are operated by 'lease-based' Registered Providers of Social Housing, with available data suggesting around 90% of the sub-sector under the governance of such entities <sup>6</sup>. These providers are, arguably, not aligned with traditional or more popular perceptions of 'social landlords' or 'housing associations', in that they do not own their own stock, and are operating solely, or predominantly, under the exempt provisions of Housing Benefit, often charging their residents rental amounts far in excess of 'social' or 'affordable' rents. These providers use a leasing model, leasing their units from the private rented sector, and operate what can be termed an 'umbrella' form of governance and control, with a number of providers and individuals operating as managing agents underneath the Registered Provider's designation as a 'superior landlord'.

It is beyond the scope of this report to attempt to detail the wealth of management arrangements and models that are in existence within the exempt sub-sector in Birmingham but, for clarity, a simplified outline of the key features of these arrangements are described below:

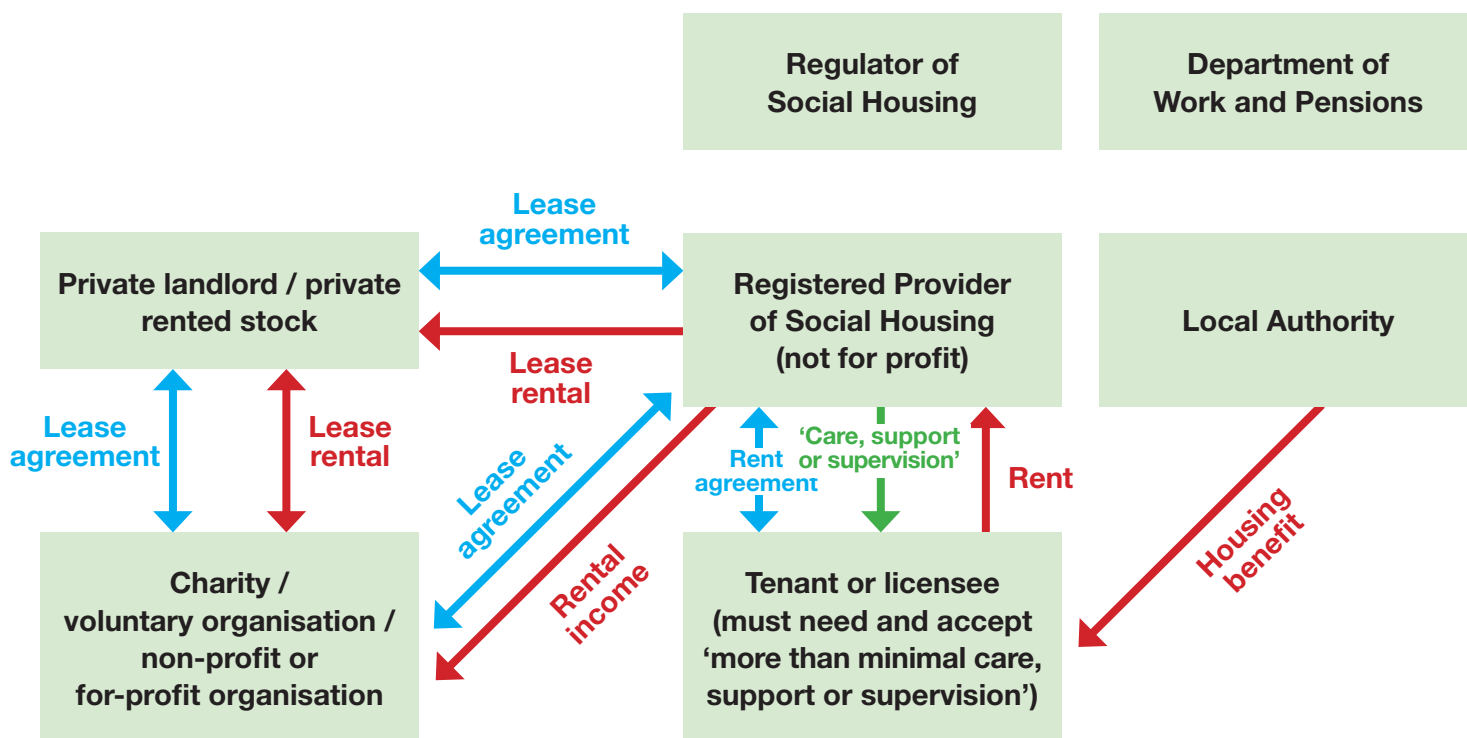
- A Registered Provider of Social Housing leases units from the private rented sector and manages these units themselves, providing staffing to carry out housing management and care, support or supervision within those units. Rental costs are governed by the exempt provisions of Housing Benefit.
- This Registered Provider will also have a number of leasing and management arrangements with other non-profit or for-profit organisations. These organisations will operate largely autonomously, use their own name and branding, lease their own units from the private rented sector and provide housing management alongside the care, support and supervision necessary to claim rental costs at exempt rates. The units are leased to the Registered Provider, who will remain as the head or superior landlord via a leasing and management arrangement.
- The Registered Provider may also have an arrangement with an organisation to provide the care, support or supervision within the units managed by that separate organisation, whilst that organisation retains basic housing management functions and operates under their own name and branding.

In recent months, the Regulator of Social Housing has taken a more active interest in this newer, and burgeoning, model of social housing provider (Barratt, 2019; RSH, 2019). This focus has fallen largely on Registered Providers of Social Housing who are providing Specialist Supported Housing by leasing properties from private equity firms or Real Estate Investments Trusts (REITs) and making monthly payments to that entity. These payments are linked to inflation and covered by the Registered Providers' rental yields via exempt housing benefit payments. These leases are often long – of twenty years duration or more (see Barratt, 2019 for a more detailed explanation of this issue).

It is important for the purposes of this report, and to avoid confusion, to note that Specialist Supported Housing (SSH) differs from the more generic 'exempt accommodation' or 'supported housing' under investigation for this report. SSH is a specific type of supported housing and, under the Housing Rents (Exceptions and Miscellaneous Provisions Regulations 2016), is described as accommodation 'specifically designed or adapted for people who require specialised services to enable them to live independently as an alternative to a care home, and where the level of ongoing support provided is approximately the same as that provided by a care home' (RSH 2019: 3). SSH must be provided by a registered provider in agreement with a local authority or the NHS and must not receive any public assistance for its construction or acquisition (ibid).

The longer-term implications of this intense regulatory focus, and whether it will extended to RPs operating exempt accommodation largely remain to be seen but it is, however, the case that focus on some of the newer models of lease-based provision centres on the financial viability and governance of such organisations, with a particular concern about the ability of RPs to meet their monthly payments to the investor. Although there have been suggestions that the governance and viability of these organisations has the potential to impact upon the safety or residents, little is currently known about the circumstances of the very vulnerable residents who rely on these organisations for housing and support (Barratt, 2019). It is pertinent for this project to note that some of the concerns around providers' ability to meet their monthly payments are related to relatively high void rates, and an investigation by Inside Housing revealed that one provider was unable to fill further rooms in a shared house due to the severe risks to others posed by one resident (Barratt, 2019). The few commentators taking an interest in this form of provision have noted that investigating and understanding exactly what is happening to residents within this type of accommodation is difficult, and that residents often 'aren't in a position' to complain or hold their accommodation provider to account, meaning that vital opportunities to intervene may be missed (ibid).

<sup>6</sup> Local information from Birmingham City Council: see also Mullins and Ikram (forthcoming)



**Figure 2: The most common leasing, management and funding arrangements within the exempt accommodation sub-sector in Birmingham**

## Regulation

As the above section on regulatory involvement in lease-based RPs of SSH has noted, Registered Providers of Social Housing are regulated and monitored by the Regulator of Social Housing, and regulatory involvement with, and investigation into, Registered Providers largely takes place at the Governance and Viability levels. The Regulatory controls and mechanisms available to protect the interests of tenants are not currently as robust and effective as they could, and arguably should be, which has led survivors of the Grenfell Tower fire to adopt the terminology 'accountability void' to describe this situation (Hodkinson, 2019).

As the recent regulatory involvement and subsequent judgement of six lease-based Registered Providers of SSH has indicated, it appears that, in order to acknowledge and take into account the potential impact of provider arrangements or practice on residents, regulatory mechanisms currently rely largely upon what might be termed a 'filter down' effect; secondary to and uncovered, if at all, through these top-level standards.

Consumer Standards within the regulatory framework, ostensibly existing to protect the interests of tenants, incorporate the Tenant Involvement and Empowerment Standard; the Home Standard; the Tenancy Standard; and the Neighbourhood and Community Standard (MHCLG, 2018). However current regulation of such standards is not rigorous and is reactive, with the enforcement of standards relying on the threshold of 'serious detriment', or serious harm, to tenants due to a breach of standards (MHCLG, 2018). In addition, Registered Providers operating less than 1000 units are currently subject to much lower regulatory engagement, having only to complete the online statistical data return annually (ibid).

Whether the longer-term impacts of the Regulator's investigations into several lease-based providers, alongside proposed strengthening and proactive monitoring of Consumer Standards through the social housing green paper currently under consultation will have any bearing on the exempt sub-sector long term remains to be seen. The social housing green paper, which called for reforms to the complaints handling and consumer redress system, the potential for mandatory 'resident engagement strategies', efforts to reduce stigma and a review of social housing providers' role in supporting and empowering communities, is still awaiting a response and an action plan from central government (MHCLG, 2019). There is the potential that, should any of these proposals be adopted, there will be increased accountability to residents by exempt Registered Providers of Social Housing.

However, as it stands, the fact non-commissioned exempt providers may be, directly or indirectly, under the auspices of the government Regulator does not appear to give assurances about adequate levels of accountability, monitoring, support and wellbeing considerations for largely vulnerable and excluded client groups.

## Building standards and Enforcement

Under the Housing Act 2004, Schedule 14, Houses in Multiple Occupation (HMOs) operated by Registered Providers are exempt from statutory licensing conditions, which includes any additional or selective licensing a local authority may apply to the Secretary of State to implement. HMOs under Registered Providers are also exempt from the Management of Houses of Multiple Occupation (England) Regulations 2006, which governs the way such premises are managed. All 'exempt' sub-sector properties in Birmingham not operated or controlled by Registered Providers are still subject to licensing conditions, if they meet the current criteria, which from October 2018 was expanded to incorporate all properties housing five or more people in two or more households, regardless of the number of storeys, and bringing in tighter specifications on room sizes (MHCLG, 2018).

All properties in the 'exempt' sub-sector will be subject to the Housing Health and Safety Rating System (HHSRS) which governs minimum property-related safety standards, and any reported breaches of health and safety or disrepair in the exempt sub-sector can be addressed under standard practices. However, as there is little proactive means of enforcement or monitoring for local authority private sector housing teams, remedial or enforcement activity will rely disproportionately on resident complaints, which, as will become apparent, are often not forthcoming. It is also important to note that existing licensing and associated local authority enforcement powers can assist with the implementation of physical standards and management arrangements, and provide greater checks on those managing HMOs, but will have limited powers and, arguably, limited specialist skills to recognise, tackle or challenge referral and assessment procedures or the psychosocial environments and risks experienced by clients (see Raisbeck, 2018).

## Permitted Development and Conversions

The majority of shared houses operating under 'exempt' provisions will not come under any special planning regulations, with conversions from residential (C3) to multiply occupied dwellings of up to six people (C4) instead covered by what is known as change of use under 'Permitted Development' regulations. There is no obligation for landlords changing use in this way to serve a notice on the local authority of their intention and there are no additional conditions set out in planning regulations<sup>7</sup>. The change of use through Permitted Development may mean that vital opportunities to inspect the premises for suitability and safety prior to occupation are missed and means that transparency, and opportunities to intervene around, location and spatial distribution of units are missed. This can, and has, led to the placement of converted units in close proximity which pose a potential risk to those residents.

Conversion to 'sui generis' (no class) HMOs of over seven occupants will usually require planning permission, and the conversion of office buildings (B1 a) to residential units will require developers to serve a notice of intention on their planning authority. Although it is not possible to ascertain how many units in operation within the exempt sub-sector fall under each type, research with stakeholders, and years of practice experience within the sub-sector suggest the dominant form is small units housing up to six people.

Birmingham City Council has recently approved a motion to introduce an Article 4 direction across the entire City. If approved following consultation, all residential homes will require planning permission from the local authority before they can be converted into a House in Multiple Occupation. If approved and not subject to judicial review, this is expected to come into force in June 2020. It will allow the local authority to have greater control over the growth of the entire HMO market, including but not limited to exempt accommodation, allowing for greater stringency and monitoring.

<sup>7</sup> See [www.theplanningportal.co.uk](http://www.theplanningportal.co.uk) for further information and detail.

## Concluding Thoughts

It is clear from this overview that the policy and regulatory environment within which this particular sub-sector of exempt accommodation operates has a series of gaps or weaknesses that inhibit sufficient transparency, control, recourse and redress for both residents and a range of wider sectoral stakeholders, contributing to and compounding housing disadvantage and social injustice. Nonetheless, below this overarching framework, there sit further systemic and practice-based mechanisms, which often work collectively to further create or compound housing disadvantage for certain groups and are, due to their operation closer to ‘ground level’, often largely impervious to control or redress through regulatory mechanisms.

These ‘on the ground’ mechanisms relatedly require the adoption of a practice and systems-based approach to investigation and analysis of the exempt sub-sector, alongside higher-level regulatory and policy analysis.

Although the issues within the exempt sub-sector exist at the intersection of structural, regulatory, policy, systemic and practice concerns, we have chosen in the following sections to specifically highlight the issues occurring at housing management and sectoral practice levels, whilst still embedding these within a wider analysis of the concept of housing ‘exclusion’. In this way we are attempting to provide an antidote to the current ‘filter down’ mechanisms of social housing regulation and governance and provide evidence, suggestions and property-based change that can ‘filter up’ and be incorporated into policy reform. In our engagement, awareness-raising and dissemination work following the BSAB-commissioned research, and within this current project, we have found it useful to adopt the standpoint suggested by Madden and Marcuse in their monograph, *In Defence of Housing*:

“There are better and worse ways to respond to the contradiction between the ideal of housing as a right and the reality of housing in crisis. One bad way is to dispense with the ideal and settle for reforms only at the margins. Even worse is to wait around for some messianic revolution to solve the problem for us, and abandon efforts to change in the meantime” (2016; 129)

# 3 Further Context: Housing ‘Exclusion’ as Social Injustice

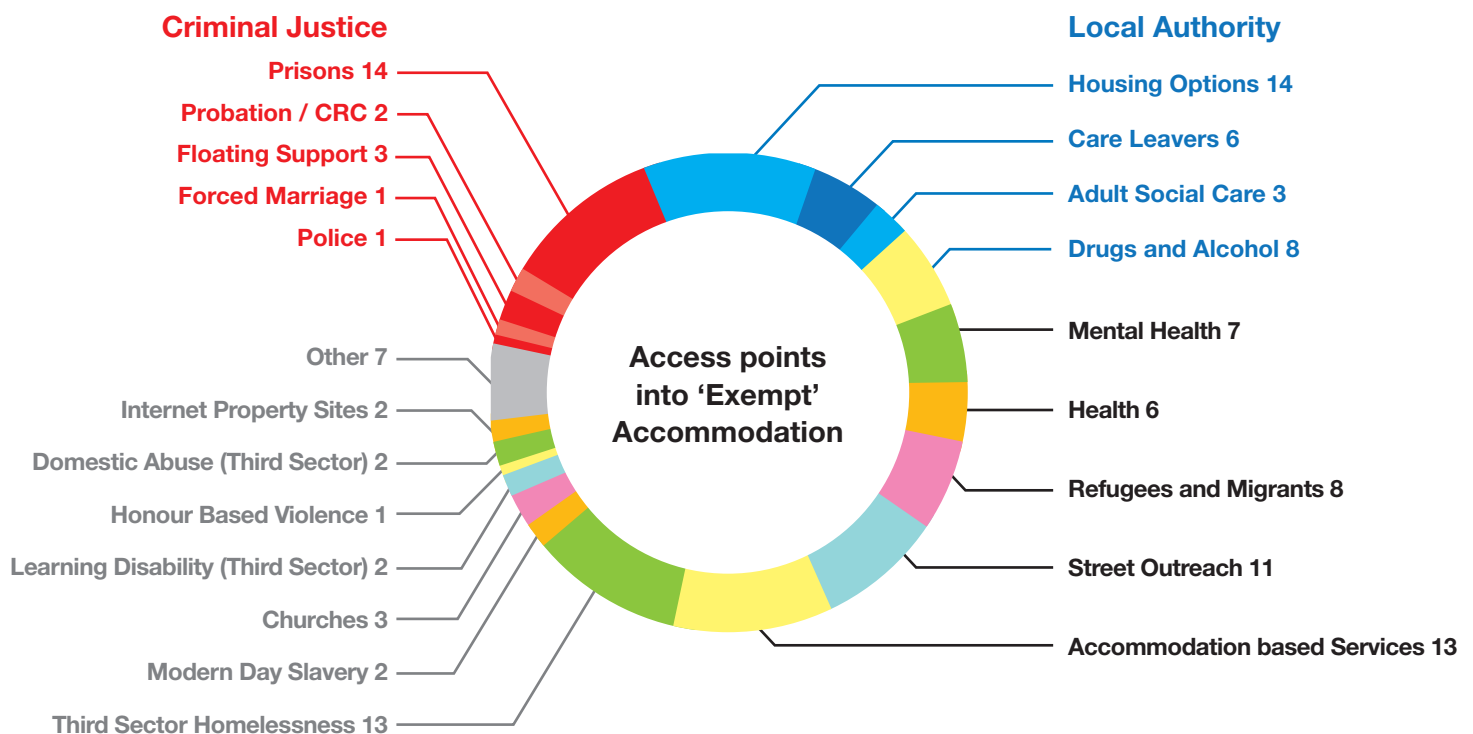
This chapter sets out the broader context for the following sections and provides the platform to move on to more focused reviews of relevant policy and practice contexts in sections 4.1-4.3, alongside primary evidence collected on our three identified ‘strands’: social harm, user voice and employment and social integration.

Aside from our published report, *Risk, Safety and Wellbeing*, there is a paucity of research, and thus evidence, on the issues within and implications of this specific sub-sector of accommodation. The fact that this particular form of accommodation is marked by its absence from research, practice and policy attention is itself and indication of ‘exemption from responsibility’ which gave this report its title.

## 3.1 Risk, Safety and Wellbeing: The Roots of our Exploration into Social Injustice

### Our previous research findings revealed:

- The wide, untracked, unmonitored and disparate range of referral routes into the sub-sector. Our four-month snapshot of evidenced referral routes uncovered 129 separate ‘points of entry’; 43 of which were external to Birmingham. This encompassed a wide range of agencies and organisations, including local authority housing options departments; rough sleeper teams; hospitals; mental health trusts; internet sites and homelessness charities
- The varying assessment methods used by referring agencies and accommodation providers prior to placement and the varying levels of attention to safety and resident wellbeing
- The increased potential for harm from ill-considered or ‘risky’ mixes of residents within small, shared units
- The lack of choice and control residents had over their accommodation placements
- Common experiences of isolation, insecurity and lack of privacy for residents, and the corresponding negative effects on mental health and wellbeing
- The lack of transparency about what the sub-sector was offering to clients and the absence of communication and partnership working between agencies involved in the sub-sector
- The weak regulation and monitoring of the sector as a whole, which increased the potential for inexperienced, ill-equipped or unscrupulous practice



Although the published findings of our previous report were centred around the relatively narrow brief under which the research was commissioned, in-depth interviews and subsequent engagement work for the project were replete with accounts of residents being ‘trapped’ in this form of accommodation; unable to secure employment due to high rental costs and a lack of alternative, more affordable and secure, options. Residents and support agencies also expressed the lack of choice for residents, and their seemingly diminished capacity to complain or hold providers to account, have any meaningful input or become more equitably involved with their accommodation provider’s operations. The latter set of factors were seen not only to impinge upon an individual’s rights and autonomy, but also to stymie the development of better, more responsive practice by accommodation providers.

The previously established issue of the increased risk of social harm to residents, alongside the emerging but unrefined issues of barriers to employment and to user involvement or ‘voice’ were subsequently confirmed, through a range of engagement events with a wide range of stakeholders, as the most salient problems, or ‘injustices’ at work within the exempt sub-sector.

There is no existing research or practice analysis that focuses on the intersection of these elements to draw upon for confirmation or refinement, but our explication and analysis has been constructed and confirmed through in-depth enquiry over the course of almost two years and thus serves as a solid basis with which to investigate the feasibility of any associated ‘solutions’.

## The Importance of the exempt sub-sector

It is undeniable that, with an estimated 11,000 units, or ‘bedspaces’, of accommodation, the exempt sub-sector in Birmingham is currently providing, at the very basic level, housing, or shelter, for a large number of individuals. As highlighted in Chapter 2.1, there is still very limited hard evidence and it is difficult to isolate and confirm exactly which causal factors are of most significance to an analysis of the growth of this sub-sector of accommodation. However, it is beneficial to review some of the overarching policy, systemic and practice environments that govern access to housing. This enables us to examine the possible ‘gaps’ or ‘needs’ this accommodation sub-sector is fulfilling; and the scope for change.

### 3.2 ‘Exclusionary Mechanisms’: Factors that exclude people from mainstream or more suitable housing

Our previous and current research and practice-based enquiries have overwhelmingly pointed to the concept of ‘exclusion’ from other forms of housing and support as a key driver to both the utilisation of exempt accommodation and as contributing to the problems and issues experienced by residents.

The range of social policy decisions and their influence at systemic and practice levels which, collectively, make up a large part of our current housing ‘crisis’ have led to an absence of realistic, affordable, appropriate and secure housing options for individuals who are financially, socially or otherwise marginalised. These include:

- The lack of new build social housing, the effect of Right to Buy, and the associated projected need for 340,000 homes each year in England to 2031, of which 145,000 ‘must be affordable homes’, with 90,000 at social rent (Herriot Watt, 2018).
- More stringent tenancy checks and pre-tenancy assessments in general needs social housing, including more robust financial assessments and behavioural concepts of ‘suitability’ (Scanlon, et. al., 2017; Crisis, 2019)
- Social housing allocations systems, particularly following the Localism Act 2011, which often exclude or disadvantage certain groups, such as those without a ‘local connection’ or with histories of offending, rent arrears or antisocial behaviour (Rowe and Wagstaff, 2017)
- Low Local Housing Allowance Rates, frozen between 2016-2020, that are significantly out of step with market rents, and which make private sector housing increasingly unaffordable or unsustainable. Recent research has revealed that more than 90% of LHA rates now fail to cover the cheapest rents (CIH, 2019). Estimates in Birmingham put less than 3% of available shared properties as ‘affordable’ at the Shared Accommodation Rate of £57.34.

- Private Sector landlords being increasingly unwilling, or unable, to let their properties to benefit claimants due to concerns around benefit administration; affordability, or a more long-standing and pervasive stigmatisation of benefit claimants, alongside the exclusionary conditions of certain Buy to Let mortgage arrangements (Walmsley, 2017; Shelter, 2018).
- Right to Rent checks, which require private landlords to check the immigration status of prospective tenants. A recent High Court ruling claimed evidence ‘strongly showed’ that the scheme was causing landlords to discriminate against potential tenants due to their ethnicity or nationality (Boseley, 2019)
- The depletion in funding for independent sources of advice and restrictions to Legal Aid, creating what the Law Society of England and Wales have recently termed ‘Advice Deserts’ across the country (2019). This increases the likelihood of exclusion or improper treatment as there is less scope and ability to challenge decisions around housing access.
- These factors are often driven or bolstered by ‘welfare reform’ and, in particular, benefit caps and the advent of Universal Credit; the latter of which, at the very least, creates increased administrative burdens and frequently reported delays in payments, contributing to rent arrears and in some cases the loss of rented accommodation (Hickman et. al., 2018). It is important to note that exempt accommodation operates outside of the potential exclusionary mechanisms of Universal Credit as claimants, currently, remain on Housing Benefit rather than the Housing Element of Universal Credit.

We have found the work of Preece and Bimpson, who recently undertook an evidence review ‘Forms and Mechanisms of Exclusion in Contemporary Housing Systems’, for CACHE, to be particularly useful for our understanding of the way mechanisms of exclusion currently operate, and how this informs our broader understanding and practice-based analysis of the exempt accommodation sub-sector: ‘Exclusion results in individuals being unable to access the housing that they seek – this may mean exclusion from adequate housing that meets their needs, exclusion from a particular type of housing (for example, with a more secure tenancy), or exclusion from a particular place (for example, with higher housing costs)’ (2019; 15).

Our research suggests that the non-commissioned exempt subsector has a number of characteristics that have allowed it to occupy a ‘gap’ created by the intersection of a range of policy decisions and their resulting exclusionary effects. These characteristics are:

- The utilisation of low or ‘liberal’ referral and selection criteria
- Minimal ‘pre-tenancy’ checks
- Frequent examples of the acceptance of very short notice or ‘crisis’ referrals
- Wide acceptance of benefit claimants whilst free from the perceived risks or burdens of Universal Credit
- High rental yields for landlords within a weak regulatory and accountability framework

The fact that the exempt accommodation sub-sector is seemingly housing individuals that other forms of provision cannot or will not means, short of wholesale national policy, practice and funding changes within wider forms of housing and support provision, this sub-sector will continue to function on a level of indispensability, and is unlikely to diminish in size within the foreseeable future.

However, it is beneficial to examine the notion of this sub-sector functioning, often, as ‘the only option’ or as a ‘place of last resort’: housing what are often otherwise, in pejorative housing practice parlance, deemed the ‘unhouseables’ (see Cowan, 2011; Bevan and Cowan, 2016), and the implications of this for our broader enquiries. It is important to note that, as experientially-based research into shared housing contexts has moved beyond investigation into the experiences of more socially and economically advantaged young people and students, enquiry has begun to demarcate between ‘sharing by choice’, or sharing with friends and peers, and forced sharing, or ‘stranger shares’. The latter are viewed as having far more detrimental impacts upon wellbeing, safety and security and are experienced overwhelmingly by those who are vulnerable, socially excluded and, in more recent times, excluded by social policy (Rugg et. al., 2011; Wilkinson and Ortega-Alcazar, 2017; Rugg and Rhodes, 2018).



The previously mentioned CACHE report highlights the growth in ‘stranger shares’ as a key area for further research as ‘we know little about the exclusion some groups face as a result of stigma and individual bias from other residents’ (2019; 10). This notion of ‘forced’ sharing is central to our conceptualisation of the broader injustice within the sub-sector and, as will become apparent, is a key consideration when analysing the feasibility of any property-based solutions.

Coupled with these elements of housing exclusion is the funding environment for, particularly ‘single homeless’ populations. Recent research by WPI Economics has revealed that, between 2008/9 and 2017/18 funding for single homelessness fell by nearly £1bn, or more than 50%, and was entirely accounted for by reduced spending for Supporting People activity. The report concludes that ‘overall, more than £5bn less has been spent on single homelessness between 2008/9 and 2017/18 than would have been spent had funding continued at 2008/9 levels’ (2019; 5).

The overall depletion in funding is set against the rise in recorded levels of rough sleeping; statutory homelessness and the growth in ‘hidden homeless’ populations (Crisis, 2019). This suggests that more appropriate and equipped accommodation and support for single homelessness populations, particularly with more intensive support needs, is becoming an increasingly needed but equally scarce resource. This vast reduction in funding is also set against the multiple millions of pounds of government subsidy that is channelled into a non-specialist, largely unmonitored and under-regulated exempt accommodation sub-sector, creating an arguably troubling dissonance in priorities and the productive allocation of resources.

### 3.3 Who is living in non-commissioned exempt accommodation?

The non-commissioned exempt accommodation sub-sector is accessed by a wide range of social groups, and broadly encompasses any individual who is deemed to require accommodation with support or supervision. More usually, this is an individual who is financially, systemically or socially excluded from accessing other forms of housing provision, and so also includes those who have no immediate ‘need’ for supported accommodation.

It is impossible, due to limited available evidence, to estimate and compare the concentrations of certain groups within the sub-sector, but our research, practice-based enquiry and examination of referral routes suggest that, broadly, those frequently accessing the sector include:

- Women who are fleeing or have experienced trauma, exploitation, violence and abuse
- Refugee and migrant groups, often directly after leaving asylum accommodation
- Those experiencing substance or addiction issues
- Individuals with mental health problems in varying degrees of severity
- Those rough sleeping immediately prior to access
- Care leavers
- Those who have had contact with the criminal justice system: both newly released from prison and those with offending histories
- Individuals leaving a range of other institutional settings such as hospitals, care homes, and addiction treatment centres
- Other individuals who have an urgent housing need and are excluded; either financially or due to previous housing and tenancy-related problems, from accessing more suitable – or desired – forms of provision

**Within these groups, our research suggests that the most salient characteristics are:**

- An urgent need for accommodation
- Perceived by housing providers as ‘risky’, ‘complex’ or ‘high need’
- A reduced ability to assimilate the cultures, practices and systems of homelessness and housing provision

Individuals perceived to be exhibiting any, or all, of the three above characteristics are often forced into the 'worst' accommodation (be that property standards; management regimes and capacity; suitability; psychosocial environment; geographical location or all five) often at the highest rental costs, with little choice and with severely diminished options for exiting. Due to the gaps in accurate data recording and the absence of any formal monitoring and feedback requirements for the sector, it is not possible to establish how many individuals are affected by these injustices. However, it is possible to suggest that the current form and function of non-commissioned exempt accommodation has the potential, in Birmingham, to impact upon any of the estimated 11,000 individuals living within the sector, to varying degrees of severity. It is also possible to posit that any area in England with a high concentration of non-commissioned exempt accommodation, high levels of homelessness and correspondingly low levels of private or social sector housing to address this issue will have a high proportion of individuals impacted.

## Case Study: Andrew

Andrew moved from Gloucester to Birmingham in order to enter a drug and alcohol rehabilitation programme. After 18 months' stay, he was ready to move on into independent accommodation. Andrew was unable to join the council housing register due to previous rent arrears precipitated by his addiction issues. He could not find any private rented sector housing that accepted benefit claimants and that was within the Local Housing Allowance one-bedroom rate. Andrew was told by a local charity about a 'shared housing place' and referred to them via email. He was given no other details besides the address 'on a little bit of paper'. After staying for three weeks, Andrew had to leave due to high levels of drug use and threats from another housemate after he refused to act as a 'driver' for him. Andrew went to a local homeless centre:

"I stayed there for about 7 hours waiting, right at the end at 6pm they said they'd got me a place and I was like, 'I'm homeless, I'll take it', and [the exempt house] had I guess about 8 people living there and people coming in and out – no idea who was supposed to be a housemate or not. It was dirty, filthy, rats and allsorts. Really dangerous. Never saw a staff member again after I got the keys. I stayed for about ten days, then slept on a park bench for two. I was sexually assaulted in that park and I was terrified, confused, the lot".

Andrew was helped to access a non-commissioned exempt accommodation provider by a street outreach team and was also referred for additional floating support. Andrew says his current exempt accommodation is 'not great' but 'better'. Due to his experiences, Andrew relapsed but has been sober again for five months.

## Case Study: Nabil

Nabil came to the UK from Syria and was placed in 'initial accommodation' in Croydon for two weeks by the Home Office. He was then dispersed to Birmingham and placed in a hostel with other asylum seekers, where he stayed for two months. After this, Nabil was placed by the Home Office in a shared house in Birmingham, run by G4S, under Section 95 (previously NASS) support. He was given notice to leave this accommodation when he was granted leave to remain:

"When I had been given a final interview and then actually, I got my status, G4S gave me notice as 'we are not concerned with you anymore'. So, actually they put me in a rushed situation. I also went to the council and I said, 'I am homeless' and the person there just gave me address of this [exempt accommodation] and I walked all the way to it, long way, and have stayed here since".

Nabil felt he had no choice in the accommodation he was sent to: 'like if you don't want it don't come back'. Nabil has been in his current exempt shared house for six months and feels he is not progressing with finding an alternative:

"I am in my 60s and I was expecting to move from here to a better house so I can rest my mind from thinking about the housing, so I feel settled. I am a refugee and have been given asylum to have a peaceful mind and life but up to now I do not feel at peace. I am in my 60s now, so I worry they have forgotten me here. I feel like I am locked in a room. I have no social life and I get no sleep, like I am an automatic machine and I want my freedom"

The three key concepts of social injustice that fall within our broader conception: social harm, lack of user voice and employment and social integration are largely interdependent. Taking this into account, the following three sections set out the prevailing issues within each key concept and the ability of any property-based solutions to:

- Reduce harm and risk
- Reduce barriers to entering and sustaining employment
- Increase choice
- Increase resident voice and involvement



## 4 Three Specific Social Injustices

This section develops our analysis by articulating the nature of social injustice involved in the three main areas identified. In each section we attempt to define the nature of the problem and the contributing factors before discussing a range of potential solutions. This paves the way for discussion in Chapter 5 of the potential for property-based, systemic and practice solutions.

### 4.1 Social Harm and Risk

A series of published practice-based enquiries, and the limited available research into referral and assessment for more transient forms of shared housing, has acknowledged some of the practical considerations within shared schemes. Safeguarding, risk and appropriate ‘matching’ of tenants are all consistently posited as important considerations.

Despite this, there is little in-depth research into referral and access procedures and mechanisms for shared accommodation catering on a larger scale, and for more vulnerable groups, particularly accommodation schemes at the ‘lower end’ of the market or in more hidden, unregulated, temporary and transient settings.

Nonetheless, Adele Irving’s 2015 qualitative investigation into the wellbeing of homeless people living HMOs in the North East considered points of referral and access, but did not move beyond this to investigate the processes, methods and interactions behind such referrals. In-depth work with residents by the charity Justlife (Rose and Davies 2014; Rose et. al., 2016) considered ‘pathways’ into what they term ‘Unsupported Temporary Accommodation’ (UTA), concluding that ‘at present, there is no way of knowing or controlling which agencies or organisations are directing people to UTA’, and suggesting the quality of referrals and assessment were subject to a ‘worker lottery’ (Rose et. al., 2016; 9). Other research has uncovered practitioner and organisational awareness of the potential risks to resident safety of operating shared housing for more marginalised and vulnerable groups. Appropriate and safe matching of residents was designated as ‘more art than science’ (Green and McCarthy 2015; 163), or explicitly designated as an important consideration for setting up shared schemes, without a full explanation or awareness of what this would entail in practice (Clarke and Heywood, 2016; 47).

#### Defining the Problem:

**Inappropriate or poorly considered placements and ‘matching’ of individuals into small, shared, lightly monitored units of exempt accommodation can pose a risk of harm to both residents and staff. ‘Harm’ can be defined as both ‘quantifiable’ and interpersonal, such as violence, injury, abuse or loss of life, and more pernicious, less immediately ‘quantifiable’ harms such as poor mental health and wellbeing; feelings of ontological and physical insecurity; isolation, fear and worry, and acts of intimidation or coercion.**

**Alongside a conception of ‘harm’ as related to effects at the individual or interpersonal level, this definition also incorporates the concept of social or institutional harm: the indirect, ‘silent’ or ‘routine’ harm that is caused to groups and populations through exclusionary mechanisms and referral and assessment systems and practices.**

Due to the untracked, unmonitored and unrecorded nature of the sub-sector, it is impossible to quantify how many individuals are at risk, or affected, in this way. However, extensive research and discussion within the sub-sector suggests this is a prevalent concern. As such, to avoid the fatalistic assumptions that appear to govern the dominant sectoral philosophy that ‘there is always a chance of harm’ in shared living environments, the notion of harm is here conceived as ‘preventable harm’. This is harm that can largely be mitigated for, contained and controlled through more diligent working practices at referral and housing management levels.

## What is contributing to the injustice?

**The issues and contributory factors operate at structural, systemic and practice levels and incorporate:**

**Crisis-led referral systems:** The sector functions across all levels of what might broadly be deemed a 'housing pathway'. However, there appears to be a strong emphasis on 'crisis', immediate or 'same day' placements, as opposed to more considered placements related to an individual's needs or transitional 'journey' away from homelessness and into forms of independence. This is created by a range of factors that drive demand and help-seeking and is bolstered by working practices within agencies. There is a suggestion that many individuals do not seek help until 'crisis point', with criminal justice agency staff and housing providers highlighting prison release in particular as a referral system that often seemed unplanned and could cause difficulties for placing safely. Despite the fact providers and referral agencies highlighted 'crisis' placements as an inhibitor to adequate and robust checks on potential clients, several providers seemed to pride themselves on their ability to house 'on the day', feeling they were providing a valuable service and preventing people from being roofless.

**Referral practices and processes differ widely in terms of staff expertise and motivation.**

There is currently no way to track all referral points to ensure all referrers and providers are working in a similar way with regards to processes, risk mitigation and providing residents with adequate information. Some referrers and accommodation providers appear to carry out relatively in-depth assessment processes that are designed to elicit useful and 'truthful' information from clients, whereas others are piecemeal, differ from worker to worker or are based purely on expediency, with little immediate concern for appropriateness of placement or assessment of risk indicators. Within this, though, it is important to acknowledge that systems and processes of assessment have created a culture which arguably disincentivises 'honesty' from clients, as revealing your 'past' or 'history' can result in exclusion or disbaring from housing provision.

**Due to information and data sharing protocols within statutory agencies such as police and criminal justice agencies,** it was often difficult for a full or 'true' picture of risk and thus appropriateness of placement to be obtained at the point of access. It is certainly the case that not all issues or 'risk indicators' may be identified at the point of access, yet many referring agencies and providers are not identifying more obvious or 'preventable' harms, such as ensuring a woman with a history of trauma and abuse is not placed in a house with males exhibiting violent or abusive behaviour. However, this cements the notion that robust strategies for prevention, detection and early intervention are required as part of exempt housing management practice, in order to ensure indicators or issues are identified and swiftly acted upon. As support and monitoring regimes differ between providers, with no recommended standards, it is likely that those providers with less intensive support regimes are not as well situated to intervene early to prevent or respond to harm, despite the fact they may be accepting clients with equally high 'needs' or 'risk indicators'.

**The lack of transparency within, or knowledge of, the sector for referring agencies and potential residents hindered assurance around appropriate placements for individuals.** Many referral agencies appeared to only know of, or work with, a small selection of providers and consequently knew little of alternative options that may be safer or more appropriate for their clients. Similarly, accommodation providers often only knew of a few alternative providers that they could work with to secure the most appropriate placement for a client, if that individual was not appropriate to be housed by them. Many did not have much, if any, knowledge of other providers working under the same Registered Provider's 'umbrella'.

**The lack of transparency, information and mapping of the sector gives clients little to no choice and control over their housing placements and they are often forced to rely on the limited information referring agencies have to hand.** The majority of providers do not have websites and do not offer information packs or literature to referring agents or prospective clients. Much of the information on the sector is by word of mouth; with sourcing, referrals and communication largely conducted via telephone and email correspondence. This lack of choice and input extends to the mix of residents within a household, with clients often feeling they had no control or say over who moved in, increasing feelings of insecurity and fear.

**The funding system for ‘exempt’ accommodation itself creates a false impression of what is ‘on offer’ from providers.** For many stakeholders, the ‘exempt sector’ is treated as a monolithic ‘supported housing sector’ when, in reality, the services on offer and the level of support required to meet ‘exempt’ provisions can differ greatly. Some providers designated under a broad conception of ‘exempt’ (and thus notionally ‘supported’) accommodation receive as little as £5 above the Shared Accommodation Rate, whereas others receive in excess of £200 over this threshold <sup>8</sup>. This can lead to practitioners making referrals and placements based on false assumptions of suitability or adequacy, which leaves little room for prospective residents to understand a system and form of provision that professionals themselves do not.

**Relatedly, due to a lack of specialist provision and evidence of the exclusion of ‘higher’ needs, or more disadvantaged, groups from commissioned or statutory services,** those experiencing multiple forms of disadvantage are sometimes ‘forced’ into the exempt sub-sector which is, arguably, often insufficiently funded and insufficiently capable of safely and effectively responding to the needs of such clients. This can lead to a situation where those who require more intensive support or supervision are living in lightly monitored, shared environments which are wholly inappropriate. This appeared to have the most profound implications for those recovering from substance misuse, experiencing mental health problems, or with a history of trauma and abuse.

**There are no standards or expectations on providers to achieve a level of proficiency in risk and safety monitoring and providers engaged with for this research noted that there is a lack of specialist safeguarding and harm minimisation training for this sub-sector.** This is a systemic issue that over the past 10 years has seen a reduction in the funding available for Levels 1-3 Safeguarding training for supported housing and homelessness sectors. Consequently, staff may enter with little experience or skills, and not have the opportunity to develop professionally, despite working with some of the most vulnerable members of society. It is noticeable that, anecdotally, we are aware that local authority commissioned homelessness and accommodation-based support services across the West Midlands no longer stipulate Level 1 or 2 Safeguarding for all staff members as an essential requirement, possibly due to an awareness of the lack of funding available in this area.

**Those with the highest presenting ‘risk factors’ are often given the least choice** ‘(who will take them?)’ and, as a consequence, are perceived to be most often living in accommodation run by the least reputable, discerning or ethical providers.

**There was an awareness amongst housing support staff that sometimes a resident is too ‘high need’ for their service but they were unable to find more appropriate support or accommodation;** due to either a lack of provision, a lack of knowledge and available information on alternative exempt provision, or increasingly high statutory thresholds, especially within social care. These providers felt forced to cope ‘the best they could’ with such residents, rather than see them ‘out on the street’. This can lead to a situation within which staff members, and organisations, are carrying out more intensive work than they are remunerated for, through salaries or through exempt rental costs, potentially putting individuals at risk and increasing the associated risk of staff ‘burnout’.

<sup>8</sup> See <https://uksupportedhousing.com/charts/lowest-and-highest-hb-eligible-core-rent-and-service-charges-for-exempt-accommodation-in-birmingham/>

## Case Study: Resident 'Mix' - Lucy

Lucy has a long history of physical and sexual abuse, substance misuse and offending. She fled Birmingham after a violent relationship and stayed with friends in London for a short time, until relations broke down and she was asked to leave. Lucy then 'hung around with anyone really' in order to get somewhere to stay each night, before returning to Birmingham three months later; staying briefly with her nan and then with friends. Lucy was directed to a 'direct access' local authority commissioned hostel by a housing charity and stayed there for the maximum time allowed: 90 days. With no other options available to her, Lucy then stayed with a male acquaintance before 'my mate looking on Gumtree and finding this shared [exempt] place; basically it said you don't need a deposit and obviously that's the main thing when you're looking for a place to stay. And it accepts DSS". Lucy said she feels it was 'completely by accident' that this accommodation was female only:

"I mean, beggars can't be choosers and that, so I needed to take it anyway whether there were men there or not, and [the provider] was willing to take me on. Because yes, women can be a pain, but also you don't know what kind of men they are, it could be any kind of men, it could be a man that understands about boundaries or man who doesn't care about boundaries. I mean, the house I'm living in now has a bathroom with no lock on it which is not good so I'm going to try and get that sorted soon but with all the women it's not as bad. Some of the places I've stayed...you do what you can to get by with the men, but no one ever asks: 'would you feel safe here?'"

## 4.2 'User Voice'

It is unsurprising, given the recurrent theme of 'absence' within research and policy attention to issues within non-commissioned exempt accommodation, that there is little research or available modes of good practice around resident involvement in this specific sub-sector of accommodation. As our previous research revealed, many of those who are exhibiting more complex and entrenched problems, 'the unhouseables' who are often multiply or severely disadvantaged, are repeatedly excluded from more mainstream and commissioned provision (Raisbeck, 2018: 40). This suggests any available frameworks for user involvement within more mainstream provision are not necessarily designed with such groups in mind.

The notion of user 'voice' or involvement specifically focusing on those residing in short term or transitional housing is otherwise largely absent from wider policy discussions, no doubt in part due to the fact that the purpose of this accommodation is not to 'settle' residents but to 'move them on' within a short timeframe. However, our research shows that residents in the exempt subsector, despite its ostensible designation as 'short term' or transitional housing, are staying in their accommodation for extended periods of time. Whilst it is certainly pertinent and valuable to draw upon the guidance and learning amassed from previous material for the development of any proposed property-based solutions, the exempt sub-sector under investigation occupies a somewhat unique position; straddling as it does ostensible forms of 'social', 'supported' and 'homelessness' accommodation, but particularly marked by a lack of regulation, transparency and precarity and, as such, we felt this necessitated a new investigative framework, developed through our own primary research methods, with which to base the analysis of any potential solutions. Following the business theorist Hirschman's (1970) famous triad of exit, voice and loyalty, there has been increasing recognition in housing studies that an 'exit-voice framework to dissatisfaction with dwellings makes sense' (Chisholm et al, 2016: 390). This is especially pertinent for those with little option of exit such as those 'trapped' in the exempt accommodation sector and, as such, where exit is limited or significantly delayed, there must be an opportunity for 'voice'.

## Defining the Problem:

**The overall frameworks governing exempt accommodation are currently marked by an absence of opportunities for residents to have any input, control or say over their accommodation. This absence of ‘user voice’ is evident within the regulatory environment, including avenues for recourse and redress; within common referral and assessment mechanisms, and within property management and support regimes.**

The fact that the sub-sector of exempt accommodation currently under focus is not commissioned through local authority homelessness-related support contracts means that it has not been designed, and is not appraised or monitored, around the input of residents or those with lived experience. This does not, in itself, automatically suggest that there is a complete absence of ‘user engagement’ within non-commissioned exempt accommodation or, conversely, that the inclusion of resident input through commissioned organisations is necessarily adequate and meaningful, and impervious to criticisms of tokenism.

Recent consideration of national oversight regimes for the supported housing sector have up to now not made clear how far they are considering providing a ‘voice’ or robust feedback mechanisms for residents, although in Birmingham there has been a limited move to introduce a customer feedback and complaints system within Revenues and Benefits.

## What is contributing to the injustice?

Several of the contributory **factors link strongly to those highlighted and explicated through the work around social harm**, and in many senses are interdependent, including:

**Crisis-led nature of referral systems.** Operating largely at the systemic level, the high propensity for time-sensitive, ‘on the day’ placements can severely limit user choice, and the perceived ability to voice dissent about, or decline, the accommodation offered.

**The funding system for ‘exempt’ accommodation itself creates a false impression of what is ‘on offer’ from accommodation providers. Due to a nebulous, inflexible, flat-rate, inequitably assessed benefits system, with often no real link between rental costs and service provision, there is little room, and seemingly even less appetite, for exempt accommodation rents to be tailored to resident need, with residents actively involved in the set up and monitoring of their housing and support.** It can be difficult for residents to know what they should be receiving in exchange for their rental costs, and such rents are predominantly a flat ‘one size fits all’ rate, which leaves minimal room for personalisation or understanding of individual support packages. Similarly, holding providers to account for the ‘exempt’ rental costs charged can be difficult as the regulatory threshold is so minimal, with rents charged often not directly correlative to ‘support’ received, as support is not intended to be paid for through Housing Benefit.

**Those with the highest presenting ‘risk factors’ are often given the least choice:** ‘(who will take them?)’ and, as a consequence, are often living in accommodation run by the least reputable providers, with limited perceived power to complain, for fear they will be evicted, exposed or mistreated; and as a result, become homeless again. Referral agency use of certain portions of the sub-sector as a place of last resort for the most excluded and vulnerable groups is perhaps the most pernicious of injustices but, operating as it does at structural, cultural, systemic and practice levels is, equally, perhaps the most problematic to address.

### **Additional issues and contributory factors working at regulatory, systemic and practice levels:**

**The overall ‘accountability deficit’ within the regulatory environment** originally identified through the BSAB research. The Housing Benefit ‘exempt’ Regulations are minimal, and subject to locally-based interpretation by Revenues and Benefits, with currently little capacity within the local authority to more formally challenge providers or respond strategically or reactively to resident concerns. Local authority Private Sector Housing enforcement teams have reduced powers to tackle conditions in multiply occupied properties under Registered Providers, which incorporates the vast majority of the sub-sector. Additionally, the local authority does not currently have the resources to proactively monitor conditions within the wider sector or respond reactively and swiftly to all concerns. For the Regulator of Social Housing, the monitoring and enforcement of Consumer Standards within the regulatory framework and, particularly for this research strand, the Tenant Involvement and Empowerment Standard, are reactive, with the enforcement of standards relying on the threshold of ‘serious detriment’, or serious harm, to tenants due to a breach of standards. This excludes many of the more ‘day to day’ concerns of residents (MHCLG, 2018). Moreover, for RPs with under 1,000 homes in management there is a lower level of regulation, based mainly on an annual data return, to monitor compliance with the standards.



This accountability deficit provides a vacuum in which resident voices are rarely directly canvassed, and even where there are specific complaints, responsiveness and redress are extremely limited. This has fostered a sense of mistrust, and a loss of faith in the utility and value of available avenues and institutions of recourse and redress.

**Despite the manifestly weak and un co-ordinated regulatory frameworks surrounding exempt accommodation, there are still observable rights and responsibilities for both residents and landlords, whether or not these are adequately upheld or enforced.** However, there are two further factors which appear to affect residents' ability to lobby, individually or collectively, around their concerns, and / or seek to have a greater level of control over their circumstances and environments:

- **Licence agreements:** the inherent precarity of which is often perceived by residents and non-landlord stakeholders to preclude the assertion of rights, for fear of retaliatory or prejudicial behaviour by the landlord, and subsequent eviction at short notice. Whilst licence agreements are acknowledged as an effective housing management tool for supported and transient housing when used ethically, it is undeniable that many residents have had prior negative experiences with the use of licence agreements, and the ensuing prevailing perception that with licence agreements 'you've got no rights' renders the project of bolstering residents' confidence to assert their views and constructively feedback to their landlords an inherently more problematic undertaking.
- **Residents' lack of baseline knowledge and awareness of rights,** and what to expect within their particular type of accommodation setting, alongside both a lack of information on where to obtain independent advice and support, and the demonstrable reduction of such independent sources of advice. This can leave residents unaware of how to respond to their situation or to their landlord and contributes to the fear, trepidation and reluctance described above. Similarly, the lack of guidance and assistance for residents when asserting their rights and concerns means that residents' modes of complaint have in the past been dismissed by higher-level stakeholders as irrelevant, symptomatic of wider 'mental health' problems or related to general 'dissatisfaction' or misunderstanding, rather than an issue that merits – and deserves – attention.

**The use of licence agreements, and associated notions of free(r) movement within the sub-sector, creates an interesting dimension to the above described impacts on residents' rights, autonomy and choice.**

Rather than complain, seek redress, mediation or reparation for concerns or issues within their accommodation, residents will often 'vote with their feet', using the 'exit option', and move to another provider in the hope this will be a better 'fit' for them. This practice is often inadvertently endorsed by supporting practitioners and referring agents, who also have limited means and confidence with which to engage or negotiate with landlords, or feel their attempts prove futile, and will thus instead facilitate movement to another provider as an alternative resolution. This contributes to, and sustains, the presence of a somewhat defeatist culture around resident-landlord engagement and involvement.

**There are currently no formal, or informal and localised, independent bodies or collectives supporting or representing residents of exempt accommodation.** There are no centralised tenant panels, no current robust feedback mechanisms to Housing Benefit, and no consistent regard to user voice and experience within current Citywide attempts to tackle and reform the system. Only one Registered Provider, Prospect Housing (see Good Practice Box 1) was identified to be holding a well-structured, open and respectful monthly resident forum, with residents afforded an opportunity to give feedback and hold the organisation accountable at an organisational level.

**Due to the wealth of issues, concerns and negative reports of exempt accommodation, and the lack of meaningful redress to complaints and problems within the City's sub-sector, there is a prevailing, although not entirely warranted, 'us vs them' mentality in evidence.** Many in the wider homelessness sector view the exempt sub-sector as unequivocally, or largely, 'bad'; a culture which has the tendency to impinge upon residents' beliefs about their landlords.

**Some providers held regular house meetings, and these were generally positively received by residents who had encountered them, feeling they helped to prevent issues from escalating, and increased cohesion and harmony within households.** However, this was not by any means common or consistent practice across the sector and some residents felt in any case unable to 'speak out' in a group setting.

**Residents appear to have absolutely no say or control over who else lives in the property with them,** and the anxiety and loss of control this engendered was most keenly felt when a room became vacant. Landlords and providers retain a high level of control over intake into their properties, due in part to issues of information-sharing, perceptions of fairness and of risk mitigation, and due to a strong incentive to ensure vacant rooms are filled within a short timeframe; something involving current residents in a more considered selection process would undoubtedly impede.

### Good Practice Example: Prospect Housing

Prospect Housing are a Registered Provider of Social Housing based in Birmingham, who are responsible for over 1800 units of exempt accommodation, with 15 providers under their governance. They hold an open monthly resident forum, which is well-attended by residents and support staff. Residents and staff discuss general information around Prospect's services, and residents are given the opportunity to give feedback and input into any new initiatives the organisation is looking to implement.

The forum also arranges trips and activities for residents, with residents able to vote for and agree destinations and activities. This forum also gives residents the opportunity to share their activities and successes, and encourage input from other residents for any hobbies they are engaging in.

Information on local services, college courses and important information around health and safety and drug and alcohol awareness are also disseminated at these meetings

'Lead Residents' help with participation and ensure houses in their locality are up to date with information on services and activities. The service charge for Lead Residents is waived as an acknowledgement of their time.

See [www.prospecthousing.net](http://www.prospecthousing.net) for more information.

## 4.3 Employment and Social Integration

Our investigation into the barriers to residents accessing and sustaining employment did not seek to re-state available evidence on the wider barriers to accessing employment for homeless individuals, which are well-documented (see Crisis 2016; Centrepoin, 2018 and St Mungos, 2010). Rather, we sought to investigate the issues for, particularly, those who found employment, or wished to find employment, whilst living in or accessing non-commissioned exempt accommodation. Our analysis did not seek to replicate or 'transplant' ideas from other schemes from around the country that assisted homeless individuals into employment, as these often divorced the acquisition of employment from housing situations. Equally, our broader aim is to instigate and cultivate change within what has become a significant and, likely, enduring form of accommodation for thousands of individuals. We therefore sought, predominantly, to assess the scope for innovation and property-based change within the current sub-sector. Creating a completely new model and set up could lack the relevance to, and incentive for, other providers in the sub-sector to learn and adopt.

The majority of research into housing, benefits and employment focuses on general needs social or private sector rented housing, where rents are often significantly lower than in the exempt sector. However, it is important to state that limited available evidence from our literature and practice reviews reveals that the 'problem' of residents in supported or homelessness accommodation obtaining or retaining employment is an historical issue within housing and homelessness support provision. Indeed, recent government inquiries into supported housing that formed part of subsequently abandoned attempts at reform highlighted the issue of employment as a key, and enduring, concern. Whilst many of the housing providers who gave evidence to a House of Commons Committee acknowledged that many supported housing residents would still be 'better off' in work, there was a wide perception that this would not be the case, which proved a significant barrier. The Report recommended that:

"The Government should ensure providers are aware that supported housing tenants claiming Universal Credit will not be worse off if they seek employment. On the contrary, a job should be seen as an important milestone towards independence and self-sufficiency". (2017: 34)

Regardless of Government assertions that people, even supported housing residents, are 'better off in work' and although not discussed or documented widely at policy or research level, practitioner-level experience and anecdote is replete with instances where supported housing has proved a significant barrier to entering employment or sustaining accommodation. Within our local contexts, we regularly encountered tales of residents being summarily evicted from supported or hostel-type schemes if they enter employment, and with stories of referral agencies and local authorities feeling unable to assist homeless individuals who are in employment, due to a lack of providers 'willing' to take those in employment, or a lack of short-term, easily accessible accommodation at a rental cost that was deemed realistic for that individual to acquire and retain.

Ultimately, the research presented in this section sought to develop a framework that allowed us to investigate the reality, rather than merely the perception or theory, of employment in relatively high cost supported accommodation sub-sector; exploring locally-based notions of 'unaffordability' and 'inaccessibility' as a point of departure, with which to subsequently identify opportunities to work within the sub-sector in order to cultivate change.

## Defining the Problem:

**High, 'flat rate', exempt sub-sector rents act as a barrier, or disincentive, to residents gaining employment, and can preclude those already in employment from being able to access the sub-sector. There are certain common areas of misinformation, alongside a set of cultural assumptions and systemic biases around those in employment accessing higher cost supported housing schemes. These include:**

- **A lack of understanding or consideration of the taper rates, or rates of withdrawal, for state benefit provision upon entering employment**
- **An ensuing notion that, if you enter employment, 'you can't afford supported housing and must leave'**
- **Provider concerns about the ability or willingness of residents to pay their own rent**
- **The prevalence of zero hours contracts and seasonal work, leaving landlords reluctant to take on the administrative burden of monitoring income levels and benefit claims, and the higher likelihood of rent arrears**
- **The inflexibility and lack of incentives for exempt providers to tailor or adapt their services, management and support models to those who are in employment.**

**The preponderance of an inflexible, 'one size fits all' structure of rental costs within the exempt sub-sector also acts as a barrier to integrative or tiered levels of support within schemes.**

**The common practice of disincentivising, or in some cases disallowing, residents from entering employment enhances social isolation, increases the risk of entrenchment or regression, and traps individuals in both poverty and in inappropriate or inadequate living environments.**

It is important to note that this is not an issue solely confined to the non-commissioned exempt sub-sector, and research for this project found that the least flexible, most punitive forms of exclusion for those entering employment often emanated from local authority commissioned homelessness service provision.

Nonetheless, the non-commissioned exempt sub-sector vastly dwarfs the commissioned sub-sector in terms of resident population, and thus has an increased number of individuals potentially affected by this particular injustice. So, although it is important to narrow the investigative lens and analysis of the contributory factors and manifestations of this particular injustice to, at least initially, the non-commissioned exempt sub-sector, it is hoped there are insights that will also be beneficial for commissioned service providers to learn from.

## What is contributing to the injustice?

**Exempt accommodation providers will often state that they do not accept residents who are in employment of over 16 hours per week.** This is due to an assumption, whether borne out by financial and affordability assessments or not, that a resident will not be entitled to any Housing Benefit once they exceed the 16-hour threshold and will thus not be able to afford the relatively high exempt rental charges. It is unclear whether this prevailing assumption is the result of a lack of effective training, or because adhering to an (often erroneous) ‘cut off’ of 16 hours per week allows providers to avoid the perceived administrative and housing management burdens that retaining employed residents can bring. This increases the perception that there is ‘nowhere’ for people working and in urgent housing need to go and those seeking help are in some cases advised to give up their job in order to gain housing assistance:

“People working full time, their options are almost non-existent, and they are encouraged to find private rented, but it is hard...they feel like they get no help just cos they’re working and [they] ask should they quit working? I always say I’m not going to advise but they do ask if they should leave their job: ‘is that what you want? Is that what the council want?’, so people who are working full time ...we need more housing options for them, [we need] providers that take people working and don’t have massive amounts of rent like, £800 per month for a shared house...ridiculous”. [Referral agency]

There are similar exclusionary mechanisms in place if residents gain employment whilst already residing in exempt accommodation, with residents often given notice to vacate or advised that they must leave the accommodation should they choose to enter employment. Others are actively discouraged from gaining employment by their accommodation provider under this same reasoning. Our research and engagement work uncovered multiple examples of individuals ‘falling back into homelessness’ once they entered employment:

“It happens a lot where people start work and are asked to leave where they live as they are told you can’t afford the rent...people initially on benefits and can’t afford the supported accommodation rate and it’s usually less than a months’ notice to leave”. [Support agency]

“We are finding a lot of people who get work and then fall back into risk of homelessness. We had a client come to us who was already working and sleeping in his van as he couldn’t get anywhere else to live”. [Exempt accommodation provider]

“I had a man who was working full time and he did manage to get a property with [an exempt provider] but the rent was £200 per week so he couldn’t afford that, and he wasn’t able to pay it. He came to me and I didn’t have any other offers as no other providers at all were even willing to consider taking someone working over 16 hours, so he said “I’ll just have to stay with a friend and then try to get help towards the deposit [for a private rented property] somehow”. He said, “at the moment, I am working, paying petrol, paying previous arrears off so if I go into an expensive property, I’ll just get into the same problem again” It’s always the big one for me [in my role]”. [Referral and support agency]

**Embedded practice and repeated experiences of attempting to assist homeless individuals who are in employment has led to a prevailing referral agency assumption that ‘no one takes workers’** and, whilst this may often be the case, our relatively small-scale enquiry into this issue has revealed that there are some providers who try to retain clients who enter full-time employment, or have expressed that they would ‘try’ to take workers. However, this is often not translated into practice, particularly when accepting ‘time sensitive’ or crisis referrals. The requisite level of assessment and consideration around accepting employed clients is not currently worked through by referral agencies, providers and prospective clients in a collaborative, open or transparent manner. There is little to no accessible information around this, with referring agencies often unaware of providers who might be ‘willing’ to look into accepting working clients, or of what their organisational ‘offer’ of housing and support may mean for employed residents.

One very small provider engaged with during the course of this research suggested he reduced the rent payable by the resident to between £85 - £100 per week if they were employed and carried out a financial assessment to ensure this was affordable for the client. However, the CEO of one provider pointed out how the removal of support costs from Housing Benefit in 2003, with the introduction of the Supporting People funding mechanism, created a significant barrier to personalisation of rental costs and to aiding residents with an effective transition to independence and employment:

“Not since the transitional Housing Benefit days, pre-Supporting People, have providers been able to help in any meaningful way with people who have support needs that find employment that are in supported housing. Many in the Foyer movement, who supported young people, used transitional HB to lower rents as and when young people found employment, or training, or on occasion university...most Foyers had four rents: social, low need, medium need and high need. We are a long way from that [currently]”.

## **Good Practice Example: Spring Housing Association**

Spring Housing Association is a housing charity based in Birmingham. Spring works in partnership with Registered Providers of Social Housing to provide over 400 units of exempt accommodation to people who are homeless or at risk of homelessness in Birmingham.

Tenants are supported by Spring to sustain their tenancies; this includes benefits and money management advice, and signposting into additional support services and employment and training schemes. Spring supports tenants to understand the complexities and reporting requirements of Housing Benefit and Universal Credit systems to enable them to sustain their accommodation and employment.

Spring offer two employment-related schemes to tenants; one catering for individuals who gain employment whilst a tenant of Spring, and one for those already in employment when they seek accommodation.

### **1.1 Rent Relief Fund**

When a tenant gains employment they are often not entitled to a full rebate from Housing Benefit to cover the higher costs of living in exempt accommodation and will be immediately responsible for making up any shortfalls in their rent. Tenants who are in full-time employment often have a large shortfall to make up or are no longer eligible for any benefit assistance with housing costs.

In acknowledgement of this, Spring set up a discretionary fund, which is budgeted for annually from their surplus. The scheme provides a rent subsidy to qualifying tenants who gain employment whilst living at Spring, or who are already employed prior to becoming a tenant of Spring. The scheme aims to ensure that rent levels are affordable for working tenants, and tenants are supported to report changes to Housing Benefit as soon as possible, develop a budgeting plan and explore housing options for move on to more permanent accommodation.

Entry into the Rent Relief scheme is set out through a formal application process which is completed by the tenant and a staff member. Spring staff explore affordability with each individual tenant and the rent relief level is calculated through a formula that takes into account a tenant's income and their weekly rent and service charge. With the agreement of the tenant, an application is then made to the Rent Relief Fund. The initial agreement is for a two-month period, with flexibility to extend for a further two months. Part of the Rent Relief agreement is for tenants to engage with staff to explore and plan for move on to more permanent accommodation, including making applications for social housing, exploring the private rented sector, saving for a deposit or rent in advance and saving for furniture.

## 1.2 Stirling Road Workers Scheme

'Single' homeless people are rarely considered in 'priority need' under statutory homelessness legislation and access to affordable accommodation, particularly for those who are in low paid employment, is limited. Spring found it was receiving a high number of referrals from agencies including Crisis, Shelter, and local homelessness hubs, for employed people who were without accommodation. These individuals were presenting with various issues including: no financial means to secure a deposit or rent in advance for private sector accommodation; historic rent rears with council or social housing providers; eviction from private rented sector or social housing due to rent arrears; relationship breakdown; an inability to fulfil increasingly stringent affordability criteria for social housing, and fluctuating income or debt issues due to temporary or 'zero hours' contracts.

In response to the clear need and demand evidenced by these referrals, and based on the success of their Rent Relief Fund, Spring opened a new service to meet the needs of this client group. They identified a 15-unit scheme for refurbishment and agreed a lease with a private sector landlord. Spring are able to offer 7 units for workers within this scheme at a fixed rent of £500 per month, inclusive of service charges and with no deposit or fees required prior to access. Spring do encourage tenants to pay one month or one weeks' payment in advance but understand that this not always possible and do not use an inability to provide this as an exclusionary mechanism. This scheme has enabled working tenants to save up for deposits, pay off previous rent arrears or other debts, make applications to social housing providers and move on to fully independent, affordable accommodation in a planned, positive and achievable way.

## Case Study: James

James, a 24-year old male, came to Spring via a referral from the local Homeless Hub. He had built up arrears within a homeless hostel and within a previous housing association flat due to working on casual contracts. Spring discussed his circumstances with him and supported him to understand the importance of making Housing Benefit claims to pay his rent when he was not working, or only working part time. James was keen to secure more stable employment and Spring were able to offer him volunteer experience as a Maintenance Operative within their organisation. Due to this experience, within 6 months he had secured full-time employment as a Maintenance Operative. Spring carried out an affordability assessment with James, based on his new employment circumstances were able to agree a Rent Relief period of two months, following which he moved into the Workers' Scheme at Stirling Road. After 6 months of paying his own rent and stabilising himself financially, he was supported to move into his own private rented sector flat.

**Those providers who suggested they wanted to accept and retain residents in employment varied in how formalised these processes and procedures were**, with some suggesting it was conducted on an ‘ad hoc’, individualised basis, with no real formula or transparent policy, but that this was something they would like to work towards formalising. There were positive signs of a responsive, needs-based service, against the wider sector’s reported lack of personalisation and nuanced approach to employed residents. It was, however, unclear how viable and sustainable these provider-subsidised rent reduction models would be if rolled out on a larger scale, should demand increase. There was a sense that most providers did not necessarily ‘advertise’ to the wider sector that they were in theory open to accepting working clients, possibly due to concerns about the ability to cater for the ensuing increase in demand.

**An individual’s housing situation, and the potential implications on this of gaining employment, are seemingly often insufficiently accounted for, at Job Centres and within certain homelessness employment support programmes.** There was a sense that organisations often work in silo, or on their own agendas or ‘outcomes’ for an individual, with an absence of holistic, comprehensive consideration of the entirety of that individual’s circumstances and lives. This has led to cases where an organisation assists an individual in supported or precarious housing into employment and then there is ‘this big panic’ about where they are going to live longer term:

“We had one guy, he was in a supported place and he got a job with the help of a homeless charity. The hostel kicked him out cos he got work and he didn’t have any deposit money and private rented places wanted a guarantor anyway, which he didn’t have. Social housing, that’d be months and months way, if he ever even got near. So, he was in a cheap B&B for a few days, paid for by [a charity], and then slept on friends’ sofas and then was actually sleeping, we found out, on one of the flatbed trucks at his workplace. All that whilst new in a job, and long hours and that whole stress that comes with that and he’s got to worry about where he’s going to sleep that night as well?”. [Homelessness charity]

Equally, residents reported not being aware of Job Centre procedures, and what information they needed to give, particularly around their housing circumstances and the implications of accepting short-term work:

“When I was at the job centre the other day, they didn’t know that I was in supported housing, actually. They said they wouldn’t have even asked me to go in for a temporary role if they knew I was in supported housing, they wouldn’t have encouraged it. Because it would back-fire on you. You can’t pay £177 a week if you’re earning £250 a week. I suppose you can, but when you’re working you’ve got to pay for other things as well. I ended up with this gap of two weeks in arrears which I’m stuck with”. [Resident]

There was also a sense from residents that rules around benefits ‘kept changing’, particularly with the advent of Universal Credit, and that supported housing staff often themselves struggled to keep track:

“Because you’ll go [to the Job Centre] one week and they’ll tell you one thing, and then you’ll go the next and they will change it. You know at the end of the day they have their bureaucracy, but it puts you in a difficult situation and changing the goal posts doesn’t really help. I think the staff [at the exempt organisation] are going to do more training and find out exactly what is going on at the job centres”.

**Despite provider behaviour and assumptions, and subject to salary level or hourly rate, many claimants are in fact still entitled to some Housing Benefit once they enter employment.** This is seemingly underexplored by many accommodation providers before they advise residents of the implications of, and options open to them, around entering employment. This may be due to a lack of understanding of benefit taper rates; concern that residents will begin to accrue arrears; stigmatic notions of ‘non payers’ or, as one provider stated, a lack of willingness ‘to deal with the administrative nightmare’ that can accompany entry into, particularly, low paid employment.

## Case Study: Affordability and Employment – Deisha

Deisha is 38 and living in non-commissioned exempt accommodation in Birmingham. She works full time on minimum wage and receives some Housing Benefit towards her housing costs. The breakdown below shows the wages Deisha receives every week after deductions; her weekly HB eligible rent; her weekly rental liability after HB has been deducted and the money she has remaining after paying her rent and weekly (HB ineligible) service charge.

<b>Age</b>	<b>38</b>
<b>Weekly take home pay</b>	<b>£285.73</b>
<b>Total HB eligible weekly rent</b>	<b>£195.74</b>
<b>Weekly HB awarded</b>	<b>£72.91</b>
<b>Tenant's Weekly Rental Liability</b>	<b>£122.83</b>
<b>Weekly service charge (not eligible for HB)</b>	<b>£12</b>
<b>Weekly money left to tenant after rental and service charge costs</b>	<b>£150.90</b>

As Deisha's situation above illustrates, exempt accommodation can still be 'affordable' for residents in minimum waged full-time employment. However, the associated costs of entering employment, such as travel, buying uniforms or smart clothing, paying off previous debts, and paying for dental care and prescription charges that were previously free of charge, can mean that the high rental costs constitute a barrier to a successful transition into employment.

Deisha felt in many ways in a far worse financial position once she entered employment despite, in real terms and after housing costs, having over twice as much money 'to herself' than the £72.40 she previously received from her Jobseekers' Allowance. There was a notion that 'everything costs more' when in employment:

"I have my debts I need to start paying off. I'm spending more on money for food, lunches; on bus fares; shoes, shirts. I have to make sure I'm smart. Clean. Before, I'd be in the house for days and no one to impress so there wasn't all the need for spending on the toiletries and that. And then there's the social things too. So everyone goes for a few drinks on a Friday; that's the tradition, it looks bad if you always say no and trying to fit in and get settled you've got to put yourself out there for that kind of thing anyway, but that's money, too".

Due to the high rental costs of exempt accommodation, Deisha is working full time in a physically demanding and stressful job yet feels no better off, financially, than if she had remained on benefits, leading to a dilemma of "really, really wanting to work but not knowing if it's worth it".

A situation like Deisha's (above) is often compounded and worsened for those who earn above minimum wage or are earning a salary sufficient to take them completely out of the benefits system. The steep 'drop off' in taper, or withdrawal rates for, particularly, housing benefit claimants have been highlighted by supported housing providers and national stakeholders to government enquiries, with the CEO of one housing infrastructure organisation likening it to "a very high level of tax on starting a new job" (HoC 2017; 34).



**Residents were sometimes not even aware, initially, that they were residing in a form of supported housing, or indeed how high their rents were**, as they had minimum prior involvement due to benefits and claims processes that are managed wholly or predominantly by their accommodation provider. So, whilst living in supported housing could be, whilst unexpected, beneficial in this respect:

“I didn’t realise that they were supported housing until I moved here. I just knew it as a place I could move on to. And I did think to myself that I didn’t need supported housing because I could fend for myself, but on another level, it has been really useful. That someone is dealing with Housing Benefit so you don’t have to worry about that for now and you can focus on other things which is really good”.

It could also leave a resident quite detached from their financial circumstances and from benefits systems and processes, with it not being uncommon for a resident to secure employment, not inform their landlord, and subsequently accrue significant rent arrears or Housing Benefit overpayments. This was particularly problematic for residents who gained short-term contract work.

**Communication between accommodation staff and residents around employment, or the prospect of employment, was not always consistent and it is not standard, or arguably, immediately necessary, practice to brief residents on the implications of securing employment upon entry into supported accommodation.** One support worker was conscious of this:

“Customers often ask me “How will it be when I get a job” and I give a brief outline. I say to them that it can be quite complex, but I say that what we really need is before you get a job, before you have an interview and a job offer, that you need to come to me and then we can explain things in more depth. That is just me personally”.

**There is an interesting additional element to the problem of high(er) rental costs in supported accommodation that was suggested as a potential impact by, particularly, referring agencies.**

When residents do secure paid employment, there has often been an absence of choice or control on their part prior to placement. This created a sense that provision residents would be ‘willing to put up with’ or accept when not working, becomes less acceptable once that accommodation is paid for through hard, often stressful employment rather than through social security systems.

**Once an individual gained employment, even if that employment was ostensibly long term, it was often difficult for that resident to retain their employment due to a lack of external employment-related support to manage the transition into work.** Practitioners felt that often, once employment was achieved, ‘everything else falls away’ and an individual is left struggling to cope with an enormous lifestyle change, unstable housing circumstances and a legacy of financial worries.

**The high rental costs of exempt accommodation, alongside the tendency for paid employment to be sporadic or transient, meant that many residents fell into rent arrears.** Several practitioners suggested that, despite the administrative burdens of managing fluctuating or zero hours contracts and ensuring rental income was paid, it was actually those who secured permanent, reasonably paid, employment who often ended up accruing the highest levels of arrears. Whilst this was a concern for providers from a financial viewpoint, it was also seen to cause a potential barrier to resident ‘move on’, as other housing providers would ask for a reference and often a copy of a resident’s rent account as part of their affordability and suitability criteria:

“Rent is sky high and if benefits do stop or there’s an issue, they’ll get into massive amounts of arrears and it can follow them”. [Homelessness charity]

One provider reflected that

“To be honest we end up writing it off, so they are able to get a reference and obtain social or council housing, usually”.

High rental levels and the generally low earnings of many residents were strong impediments to the ability to save for a more planned and independent 'move on'; such as deposits, furniture and associated moving costs:

"If I was to start a job right now it would mean I've got to pay £200 a week for rent. At the moment, while I'm paying that I would need to save for a bond. So that would mean I would need to get a really good job (laughs) if I'm going to get out of this. And I'm not going to be able to do this at the moment right now. So, the only way forward that I can see is to do part time work and do my business and hopefully go on to rent relief [with Spring]. Maybe that is the only thing I could do to start with". [Resident]

One focus group resident summed up how trapped he felt within his current accommodation:

"It's a dead end. I need to get out of where I am now but it's the council list there's hundreds of people before you when you bid and it's people with problems, older people, with kids, women and that but there's no properties set aside for someone my age (24) in the predicament I'm in but private rent, no money so can't do it, and if I get a job to get that money I'd be evicted, £220 per room!".

**Suitable holistic and integrated work around the transition to a radically different way of life that employment could bring was seen to be missing from current housing and support projects.**

Alongside an absence of financial management and budgeting skills prior to and after gaining employment, it was suggested by housing providers and by more generic support providers that support provision did not often respond or adapt once a resident entered employment. This included a lack of focus on the environmental constraints of shared living upon a person's working routine; the social transition to working and interacting with numerous new individuals on a daily basis; or attempting to move away from an externally imposed 'homelessness identity' whilst still living in transitional or supported housing. One accommodation provider suggested that *"a lot of the people we work with need to put some distance between their previous chaotic lifestyles and their new employment situation and that isn't always easy to do if you're still living within it"*

The nature of work taken by residents was also seen to have differing effects at an interpersonal level and thus, ideally, warrant differing and personalised modes of wrap-around support.

**Availability and modelling of support was also highlighted as a particular problem for employed residents,** with most of those working full daytime hours unable to access adequate assistance during work hours, when most external agencies and supported housing staff members operated. There was also evidence of an assumption within many agencies that once a person gains employment 'they don't need any support anymore', with some providers lowering the rent to allow employed residents to retain their accommodation, but with the corollary that support was also lowered to a very basic level. Other providers adhered to the same level of support as existed pre-employment: 'after all it's still supported housing; that doesn't change' but there was an absence, broadly, of assessment and tailoring to what the resident actually wanted or needed. This could, potentially, lead to at least two adverse scenarios: a resident paying for high cost supported housing that they no longer need, and is not suitable for their new circumstances, or a resident still requiring support and supervision that was either assumed to be no longer required, or was reduced in line with their lower rental costs.

In line with the assumption that gaining employment warranted a reduction in support and assistance, a similar assumption often governed transitions out of supported and into independent accommodation, with people often just 'left to cope' on their own once settled housing had been secured. The experiences of residents who had moved on from supported housing suggest that the abrupt severance of support once a person entered housing or employment was, at least to experienced professionals, counter-intuitive and that practice-based and lived experience showed that individuals often required more support during and after the transition to employment and/or independent accommodation. Established modes of accommodation and support for people who had experienced homelessness were seen to be disjointed, conditional, and to lack the continuity that many people needed. These were marked by assumptions about what people 'need' at certain points along their 'pathway' or 'journey', made by professionals without any input from the service user, or without any thought to the detrimental effects conditional relationships and sharp withdrawals of support could have on an individual's wellbeing, self-esteem and confidence:

"Those huge life-changes, that's actually the beginning - a lot can come to light once people are living completely on their own or have the pressures and changes of getting a job. That's when things should ramp up, not fall away". [Homelessness charity support worker]

However, there was a broad acknowledgement that, due to the barriers to accessing private rented accommodation, such as credit checks, the increasing requirement for a guarantor and the lack of any form of private rented access schemes within the city, meant that residents were often unlikely to find 'move on' accommodation, even when they had reached a level of financial and personal stability and no longer had any tangible 'need' for supported housing. One exempt accommodation provider neatly summed up this situation:

"It's frustrating for us, and it's frustrating for them, too. There's no established pathways and it's hard for us to say to someone, once they've worked on everything they might need to and are ready and want to move on 'this is the next step'. There's no plan, no purpose and nothing clear so people know where they're heading...nothing there so people are trapped when they don't need us anymore, have a tendency to regress as they're in [supported housing] that isn't necessarily the best for them anymore. We try, but there are so many blocks in the way and people are just treading water, living day to day hoping that something will change but it's a hard place to be in and we don't feel like we have anything to reassure people. We do what we can but it's not enough and we'd love to see more planned routes for people to help with that move on".

**Due to the wide and disparate range of referral points and the frequent 'use' of the subsector by agencies from other geographical areas, there are a number of individuals living in exempt accommodation who were 'sent' from outside often with little real choice.** Providers, referral agents and support charities felt that there was potential for this to compound an individual's sense of isolation. There was a sense that this could create further barriers to 'settling', and increase the likelihood that entering employment, without social links and established support networks, would be a difficult experience. However, as this is largely speculative and based on the concerns and observations of a relatively small number of participants, this should be treated as a minor, emerging theme that requires further investigation.

# 5. Solutions to Social Injustice: Property, system or practice innovation?

## 5. Potential Solutions to the Injustices

This chapter uses our consultation and engagement with local stakeholders through workshops, roundtables and interviews (see section 1.2 for further details) to explore potential solutions to the three social injustices outlined in chapter 4. In line with our initial aims, we consider the potential for property-based, system-based and practice-based solutions.

We define ‘property-based solutions’ as schemes or initiatives which have a housing model at their core, and which are specifically designed to address a key social injustice.

### 5.1 Social Harm

#### Systems and Practice Reform

There are a range of systems and practice solutions that could aid more suitable and safer placements into exempt accommodation:

- **Safeguarding Adults Boards**, in collaboration with Private Sector Housing Teams should create best practice referral guidelines for use by all agencies placing adults into multiply-occupied, non-commissioned accommodation. This would encourage consistency and ensure all referring agencies have a framework with which to understand the potential risks of placement and actions they can take to mitigate for risk.
- **Local authorities** should ensure that non-commissioned accommodation providers have access to information on available training around Adult Safeguarding and risk management. This should include support for providers to understand the safer ‘matching’ of clients into accommodation. This information should be given to new providers at the point of making their initial agreement with Housing Benefit departments and an attempt should be made to contact all known providers and supply this information.
- **Statutory agencies** should consider creating a multi-agency panel (made up of, at a minimum, police, housing and support service providers). This panel could track, and create targeted interventions and support plans for, individuals who have been serially excluded from shared accommodation due to aggression or risk to others. This would help to ensure individuals do not ‘bounce around’ the accommodation system due to insufficient support, ending up repeatedly homeless and potentially causing risk to others due to a lack of communication and longer-term co-operation between relevant agencies.
- **Every housing authority with a high concentration of non-commissioned exempt accommodation** should set up a Non-commissioned Accommodation Practitioner Forum and Standards Board. This should involve at minimum, Housing Benefit teams, local area housing teams, police, fire and third sector support agencies. This group would share information and intelligence on common problems and issues, create plans for targeted action and develop a register of approved providers. The aim is to collectively work to share information with a view to driving up standards; target resources at areas of significant concern and work with providers and residents to address key issues in a collaborative way.
- **Local authorities should invest in a process of comprehensively mapping, and making publicly available, their non-commissioned, commissioned and third sector homelessness provision.** The creation and dissemination of transparent information on both the ‘exempt’ and wider homelessness and support sectors would afford both residents, referring agencies and housing providers greater options and choices with which to make the most suitable placements and to co-ordinate support and care.
- The absence within current Housing Benefit exempt regulations of any mandatory requirements around monitoring of the backgrounds of landlords and staff members and the lack of standardised safeguarding proficiency requirements is a ‘risk gap’ that requires attention. **It is important that the MHCLG and DWP are provided with further evidence by local authorities and relevant agencies working with exempt accommodation** of any issues caused by this ‘risk gap’. It is important that this remains ‘on the agenda’ and is continually highlighted to central government in order to lobby for effective policy change.

- Due to the limited information and lack of in-depth research into resident experiences of shared, exempt accommodation, conceptualisations of ‘harm’ and ‘risk’ are still largely ‘incident-based’. This is often focused on the most ‘extreme’, interpersonal versions that have come to light or appear most tangible or ‘quantifiable’. Not enough, still, is known about the living conditions and experiences of people in non-commissioned exempt accommodation, particularly longer term, and what the wider social or less ‘quantifiable’, harms may be, in order to develop ideas, and lobby for, change. **It is recommended that more academics and charities working in the areas of housing, homelessness or safeguarding adults consider investigating and publishing work on this issue.** Longitudinal research designs would be particularly valuable in uncovering and documenting the longer-term effects and impacts of living in unsuitable shared environments.

## A Property-Based Solution?

Due to the form and function of the non-commissioned exempt sector in Birmingham, the potential for immediate, property-driven change to address social harm appears vastly reduced. **The contributory factors** to social harm and risk elaborated in section 4.1 are **mainly related to the system within which the exempt properties sit** rather than in the properties themselves. On this basis we conclude that **while the incidence of harm is mainly found in the exempt properties, property-based systems alone would not be sufficient** to address the wider social injustice of social harm and risk.

**Some of the key wider policy and funding issues that inhibit safer ‘mixes’ and practice within shared exempt accommodation include:**

- The absence of control or monitoring within current Housing Benefit Regulations around providers’ legitimacy, and capacity to manage risk and safety
- The lack of accessible or affordable social and private rented sector housing
- The lack of suitable commissioned accommodation services
- The lack of specialist support for mental health and drug and alcohol issues and for vulnerable women

**Systemic issues that inhibit the creation of a property-based solution to safer ‘mixes’ within shared exempt accommodation include:**

- The ‘crisis’-led nature of homelessness services and systems
- The perceived failings of current ‘Through the Gate’ prison resettlement practices
- The wide, disparate and unquantifiable range of referral routes into accommodation
- The varying, non-standardised referral and assessment practices of agencies and providers
- Financial or market imperatives for providers to accept more ‘risky’ clients in order to fill void bedspaces
- A lack of provider motivation or resources to ‘specialise’ in certain client groups; particularly those deemed more ‘complex’

It is felt there are too many intersecting systemic, policy and practice-based factors, which precludes an ability to isolate and control enough of them to be able to conduct any form of meaningful property-based pilot. As such, we recommend that our systems and practice solutions are considered by the designated stakeholders as more feasible solutions to the social injustice of harm and risk in non-commissioned exempt accommodation.

## 5.2 User Voice

### Systems and Practice Reform

There are a range of systems and practice solutions that could aid the enhancement of user voice within non-commissioned exempt accommodation:

- A 'Charter' or 'Statement' of Rights for residents of exempt accommodation, such as that in development through Spring Housing and commissioned by Birmingham City Council, may provide a useful baseline for ongoing work around user involvement. A project that involves, and is co-produced, with residents of exempt accommodation sets a strong cultural precedent and would ensure residents have access to meaningful information at the point of access and whilst living in exempt accommodation.
- The recommendation for the 'social harm' strand of research: "investment in a process of comprehensively mapping the exempt sub-sector" is also highly relevant to the concept of user voice, and the creation of any such map or directory should have residents or those with lived experience embedded within processes of creation and production.
- **Engaging a small network of accommodation providers, and encouraging, guiding and supporting them to develop resident forums, and to understand the principles and benefits of resident involvement and of co-production, would be an important first step to increasing capacity. This would use a peer learning / mentoring model, led by those providers who already exhibit good practice.** Residents who had experience of house meetings and user forums responded positively to them. However, there is an apparent lack of experience, skill and confidence in many parts of the exempt sector around involving and engaging residents; particularly those residents experiencing multiple and entrenched forms of disadvantage. This recommendation would begin the process of addressing this issue.
- There is also a strong argument for the creation in local areas of an action group for 'exempt' residents to air their issues, feelings and ideas around their accommodation, and work on remedies for change. This could be facilitated by a group of independent local charities and feed into a local Accommodation Board (see section 5.1), and any wider local and national forums and action plans.
- **There must be a continued lobbying of Housing Benefit department and the DWP** to ensure that client feedback is incorporated long-term into monitoring procedures, and in a robust way, and it is recommended that this is a feature of the MHCLG's proposed 'oversight regime' for supported housing.

### A Property-Based Solution?

We have concluded that, in a sub-sector that currently lacks transparency; mapping; trust between stakeholders, and a clear and productive use and allocation of resources, it is not feasible to create an impactful and workable property-based solution at this stage.

**Some of the key systemic issues that inhibit effective implementation of a property-based solution to the social injustice of lack of user voice are:**

- The overall lack of choice for residents due to the 'crisis-led' nature of current homelessness systems and processes
- The lack of transparent mapping of the sector
- The absence of a rights-based culture for residents within both referral agencies and accommodation providers
- Relatedly, residents often feel 'forced' to accept and live in their current accommodation, and thus display no immediate interest in engaging or collaborating with their accommodation provider in any meaningful way.

## **Some of the key wider policy and organisational issues that currently inhibit effective property-based solutions to user voice within shared exempt accommodation include:**

- Many providers feel pressure to keep void rates low and will relax or adjust referral criteria in order to fill bedspaces and maintain rental yields. Giving over selection to tenant control, which was a clear desire for many residents, would conflict with this organisational priority.
- The potential costs and accommodation staff time needed to create and sustain formalised methods of user engagement may be difficult within current organisational structures. Many have small staff bases and high caseloads, which may prohibit investment in a dedicated programme of user involvement.
- The assumption that licence agreements give few rights reinforces a bias against user voice within the exempt sector.

Ultimately, a key distinction between exempt accommodation and more 'regular' social housing or commissioned supported housing is that expectations on user consultation, coproduction and collaboration are so much lower; and indeed, largely absent. As such, we have concluded that, at this stage, it is far more feasible to integrate elements of user input and 'voice' into a more focused property-based solution around employment (see the following section, 5.3).

## **5.3 Employment and Social Integration: Our Property-based Solution**

### **Aims and Rationale:**

The overall aim of Spring Housing's proposed property-based solution is to address the current injustice that sees employed individuals excluded from supported or transitional accommodation or unable to afford high exempt rental levels. This leaves vulnerable people unable to stabilise effectively; address debt issues or save, plan for and access more secure, independent move on accommodation.

This proposed solution would provide accommodation to employed individuals who are homeless or at risk of homelessness at 'affordable rent'. The accommodation model will be viable largely outside of the exempt accommodation financial framework yet will retain some of the substantial benefits we have seen within this type of provision for certain clients, when it is managed well. The accommodation will come with a tailored and transparent rent and support offer, and a facilitated 'move on' function into more permanent housing; allowing residents to sustain or improve their employment throughout their transition from supported to independent accommodation.

There are some consideration points:

- Affordability of property for the tenant and viability for the housing provider
- A separate support offer which may be from another organisation or grant funding to the housing provider.

Ultimately, this model will enable employed individuals to stabilise within accommodation at bespoke rental levels that are genuinely affordable; benefiting from both housing management and non-conditional holistic support in order to maintain their accommodation and employment and plan a successful and facilitated move on.

### **Key Features:**

- Small units of fully furnished shared accommodation
- Rent levels will be set at one third of the take-home income of the prospective tenant. All utilities - council tax and insurance - would be separate, and the full breakdown of the weekly rent and service charge would be provided for transparency and reviewed annually.
- Residents will be on a protected licence agreement
- Housing management support is offered to aid tenancy sustainment

- Mentoring support is offered subject to additional grant funding, which will include areas such as sustaining employment, budgeting and social/ community participation. The tenant will choose the areas of focus and the support offered is not mandatory, or conditionally tied to their housing contract
- In cases where a person's employment ends, they will be able to stay at the accommodation for an agreed period, claiming Universal Credit for their rent. Mentoring will be offered if they wish to look for further employment and, if they are unable to gain employment, a planned move on to alternative accommodation will be offered, including alternative properties available from the housing provider
- Move on support is provided, including advice and assistance to explore budgeting for a deposit and / or furniture.
- Future housing options will be explored and planned with the resident. If the private rented sector is a viable option, and after a successful minimum 6-month period of sustained occupation, Spring will assist in brokering relationships with private landlords, and act as guarantor for the first six months of a private sector tenancy as part of the move on plan; helping facilitate a positive housing pathway.
- As this will be a new scheme, residents will be invited to participate in a monitoring and improvement panel. This is entirely voluntary, not conditional upon their status as a resident, and does not affect their ability to access the accommodation scheme or the subsequent guarantor offer. The scheme will also create regular and open feedback channels in order to ensure the scheme grows and develops with the experiences of residents at its centre. Residents will be reimbursed for travel costs and any other expenses for their involvement in any feedback and improvement channels.

It is worth defining intensive housing management, which focuses on tenancy sustainment, ensuring the tenants are supported to maximise their income, retain their housing and explore move on options. The property is visited regularly, with any disputes managed, and residents are supported to raise repair issues. These functions are attached to the rent and service charge and thus, when a tenant moves on, the intensive housing management support would end.

The mentoring and coaching element is independent of the housing management function and would be dependent on the sourcing of additional grant funding. This service would help a client to maintain employment and sustain accommodation after move-on. We believe this offer is best delivered as a separate service, since the housing management function may involve discussions about rental issues, which is largely incompatible with a mentoring and coaching relationship. Also, this service can 'float' and continue to maintain contact and support with the tenant once they move on. The move-on transition is often the most difficult period for people and our research indicates that residents would benefit from mentoring and coaching with regards to finances, setting up utilities, furnishing a new home and integrating into their new community.

## Key Affordability and Finance Features in Detail:

### Affordability for Tenants

The focus of our qualitative research into supported and exempt accommodation benefited from an investigation of lived experience and behaviour as related to employment, rent levels and 'benefit traps'. The notion of 'affordability', and what varying operational definitions and concepts of affordability allow or prevent an individual from doing, was a consistent theme within our research.

As such, we have concluded that a firm and consistent definition of 'affordable' rent for employed residents in exempt accommodation is required to address a key element of the social injustice. Our research and literature reviews uncovered a range of different approaches to the notion of affordability in relation to rental costs; with some providers deeming exempt accommodation 'unaffordable' for anyone working over 16 hours per week; others suggesting that 'on paper' it was still 'affordable' for many residents, with a smaller number of providers designating a set figure such as £100 or £85 per week as affordable for working residents, but without a clear and consistent rationale for this figure.

In recent years, the notion of 'affordable housing' has become increasingly nebulous, particularly with the advent of 'affordable rents' in the social housing sector, currently set at 80% of market rents. The corollary of any suggestion that a rent is, in the abstract, affordable must surely be 'affordable for whom?' (See Meen, 2018 for a comprehensive review of the notion of affordability measures in housing).



Through round table discussions with exempt accommodation providers, in-depth interviews with exempt accommodation residents, financial modelling based on case studies of Spring Housing residents, and by incorporating work by the Affordable Rent Commission (2019) and the Joseph Rowntree Foundation (2015), we believe a rental level of no more than one third of an individual's take home pay, is the appropriate measure of affordability for low-waged residents of exempt accommodation.

Whilst Spring's rent relief fund and workers' schemes (see Good Practice Box 2) offer one example of a notionally 'affordable' rent, assessing the circumstances of current Spring residents who are on minimum wage suggests being able to retain 50% of their salary does not enable them to build up sufficient levels of savings, address pre-existing debts, participate actively in a full social life, or meet any unexpected expenses which may arise. The difference in being able to retain 66% of their salary after housing costs equates, for a full time minimum waged employee, to £120 per month extra income. Over a 6-month period this could enable a deposit or a 'move on fund' to be saved, if the resident so chooses, and enable that resident to more fully benefit from their employed status.

## Finances

This accommodation model adheres to our definition of affordable and does not depend on high exempt rates. Below is an example of costings for an individual who is over-25, in full-time minimum waged employment, living in a four-bedroomed fully furnished house in Birmingham within the proposed scheme. The resident will be liable for a rental cost of £387.50 per month, inclusive of all utilities, council tax and insurance costs. We acknowledge that this cost model has limited, or at least varying degrees of, applicability to other areas of the country and that rent levels are very much a local issue linked to markets and supply. However, we hope that this templates can be used by other organisations to assess the feasibility of the model depending on local circumstances, with a clear note that there would be required some form of subsidy either via a funder, or an investor agreeing a social return and less of an annual return.

### Example 1:

This is a full costed model which would 'breakeven'. It is worth noting that the lease is very much below market rate for a shared house and that the cost of the utilities is included in the service charge.

Income Calculation		Scheme Profit / (Loss)	
FTE @ Minimum Wage (25+)	£16,052.60	<b>Income</b>	
NI	£890.95	Rental Income (4 Bed)	£18,600.11
Tax	£710.52	Less Voids @ 6%	-£1,116.01
Pension	£501.03	Less Bad Debts @ 4%	-£744.00
Net Pay Per Annum	£13,950.10		
		<b>Expenditure</b>	
Take home pay per month	£1,162.51	Lease	£8,000.00
		Council Tax	£1,200.00
<b>1 third of take-home pay</b>	<b>£387.50</b>	TV Licence	£154.50
<b>(rental charge per month)</b>		Water	£800.00
		Electric	£1,500.00
		Gas	£1,200.00
		Cleaning	£400.00
		Maintenance	£500.00
		Gas safety	£250.00
		Fire safety	£500.00
		Furnishings	£1,000.00
		Housing Management	£1,200.00
			<b>£16,704.50</b>
		<b>Profit / (Loss)</b>	<b>£35.60</b>

We believe that this cost model demonstrates that there is scope to provide accommodation that retains many of the features and advantages of supported or 'exempt' accommodation, but that allows tenants to work, and to retain enough of their income to maintain an adequate standard of living.

## Transparency and Choice

The accommodation, its location(s), interior, intended purpose and pathway will be clearly communicated to all known referral agencies and to prospective residents prior to access. The scheme will clearly be publicised as catering for residents of, broadly, 'low to medium' need, enabling referring agencies and prospective residents to make an informed choice based on individual suitability and desirability. This is something that is largely absent from the current exempt accommodation sub-sector. The accommodation will not be 'crisis-led' but will form part of planned move for employed individuals who are experiencing or at risk of homelessness. This is largely anticipated to involve 'prevention' activity; for example, where an employed individual can move from unsuitable or unsustainable accommodation into the scheme, or as a progression from exempt accommodation, which may have become unaffordable or unsuitable since an individual has gained employment.

## Support and Flexibility

Alongside housing management support, individual residents will be presented with a transparent, flexible offer of holistic support, which is not mandatory, and not conditionally aligned with their licence agreement. The offer will follow a coaching or mentoring model, as appropriate, and be clearly presented and flexible, acknowledging and accommodating a tenant's working hours; particularly if these fall outside of 'regular' 9-5 pattern. The degree and nature of support will differ for each tenant and will be strengths-based; centred on their own priorities and choices. For example, an individual may require minimal accommodation-related support but require support to sustain employment or address loneliness and isolation or debt issues, whereas for another the opposite may be the case.

When a resident moves on from the scheme, the coach/mentor can continue to provide support and guidance in the new accommodation, until that person feels settled and secure, with the knowledge that they can 're-engage' at a later date if required.

## Move On

We believe that to be successful, and to minimise the risk of repeat homelessness, this model must be affordable, to allow residents to financially stabilise and save; flexible and purposeful, to allow time for a planned and progressive move, and for that move to be suitable, independent and offer a level of security. Due to the barriers faced by those on a low income and with a history of homelessness, 'move on' from supported accommodation often merely involves moving to another type of insecure or unsuitable accommodation; or in effect 'cycling round' forms of exempt accommodation. This can keep individuals suspended in a 'half homeless' state of precarity and unsuitability and is something our proposed scheme seeks to mitigate for, by assisting with guarantorship for private rented sector access: one of the biggest barriers for those who meet income thresholds and affordability assessments but do not have a strong credit or employment history. Whilst the offer of guarantorship is contingent upon a minimum of six months' sustained occupation and rental payments, the scheme will not seek to penalise those who fall behind with their rent, lose their employment or struggle, for whatever reason, to settle into their accommodation. Residents will be given further time to resolve debt or housing management issues, or will be assisted to move into more appropriate accommodation (for example with a higher level of support or in a different location) if this is what the residents wants, with offer of re-entry into the scheme at a more appropriate time in the future.

## Next Steps:

Alongside piloting this model, Spring would begin discussing and encouraging take up of the idea with Registered Providers of non-commissioned exempt accommodation, initially in Birmingham, at a series of workshops events.

## 6. Conclusions

In this report we have explored evidence on the ways in which the non-commissioned exempt accommodation sub-sector embodies a range of social injustices; the most salient of which are the **risk of social harm, absence of user voice and barriers to employment and social integration**. Furthermore, we have assessed a number of potential solutions to these injustices in collaboration with residents, project workers, referral agencies, and other partners.

Due to the gaps in national and local data recording explored within this report, it is not possible to say with a sufficient degree of certainty exactly how many individuals are living within non-commissioned exempt accommodation in Birmingham at any one time. However, we have shown that available data and local analysis suggests that the figure of 11,000 ‘units’ or bedspaces is a reasonable, although unverified, estimate and one it would be difficult to posit with certainty until national and local data recording practices improve<sup>9</sup>. Relatedly, it is not possible to say how many individuals living within non-commissioned exempt accommodation are subject to the injustices outlined in this report. However, our extensive research and practice-based enquiry over the past two years has evidenced the impacts of current funding, regulatory and homelessness systems, which mean that any individual living within the sector is likely to be impacted by one, or all, of the injustices we have outlined.

Overall, it is clear that shared accommodation with housing management, or other, support can be a suitable, safe and successful shorter-term housing option for some individuals. However, due to the **‘accountability deficit’ within the overall regulatory environments surrounding exempt accommodation**, and the **exclusionary mechanisms at work within other forms of more secure, or suitable housing provision**, there are many thousands of individuals currently living in exempt accommodation environments which are unsafe, unsuitable or un conducive to progression or growth. Coupled with this are the workings of a nebulous, ‘flat-rate’, inequitably assessed benefits system, often with no real link between high exempt rents and service provision, which can offer clear incentives to, often ill-equipped, landlords but leave residents with little clarity or certainty around their rights and entitlements. This situation can materially disadvantage, particularly, individuals who gain employment.

We have shown how the growth and sustainment of exempt accommodation can be linked, in part, **to the failures of recent government policies and welfare reforms, and of other types of housing, to adequately and responsively meet the needs of more socially or economically disadvantaged groups**. This has contributed to the existence of a largely unmonitored and under-regulated sub-sector that lacks clarity and transparency, and is accessed by disparate range of individuals, often with no other options.

As such, we have concluded broadly that, at this point in time, the potential for property-based solutions within this sub-sector is limited. There are deep-seated and largely interconnected regulatory, systemic and practice issues that prevent a small, property-based pilot from having any tangible impact on the issues of social harm and user voice. We believe practice and system-level changes are required before a property-based solution can be adequately constructed and tested; particularly a **tightening of regulatory involvement and requirements for safety and risk management in exempt accommodation**.

### Employment and Social Integration: a way forward

Our research has indicated that in the case of employment and social integration, there is scope to develop an impactful solution which will:

- Tackle the definitional and operational problems of ‘affordability’ within supported and transitional accommodation
- Address the absence of clarity and progression for residents at the point of access and throughout their stay
- Address a gap for individuals in low-paid employment by defining ‘affordable’ as one third of an individual’s total income
- Use a combined model of housing management and non-conditional holistic support with a clear and timely move to more permanent accommodation.

<sup>9</sup> See also Mullins and Ikram (forthcoming) for a more detailed analysis of the issues with data recording of Housing Benefit exempt claims in Birmingham

We believe the dissemination and adoption of learning and good practice from this solution will be enhanced by allowing it to remain, in some senses, embedded within the exempt sub-sector, but clearly defined as successfully addressing a key problem through flexibility, a clear rationale, and transparent business planning. Further impact will be generated by:

- Using a recognised provider within the homelessness, exempt and supported housing sector
- Retaining the model of shared accommodation with housing management support
- Allowing for a retention of partnerships with existing referral agencies.

In the absence of further viable property-based solutions, we have recommended system, practice and general recommendations in the closing section, which we hope will serve as a ‘call to action’ for national level stakeholders, whilst also allowing local areas to benefit from any recommendations they feel may be appropriate and feasible to improve the experiences of residents in shared, non-commissioned, supported or exempt accommodation.

## 6.1 Key Recommendations and Next Steps

The relevant strands of social harm and risk, user voice, and employment and social integration have presented a series of property, practice and systems level initiatives that could be adopted in order to address these three specific areas of social injustice within non-commissioned exempt accommodation. These recommendations were based partly on locally specific field research but are transferable to any area within England with a large presence of non-commissioned exempt accommodation. Similarly, the disincentives and barriers to employment through high supported rents are a long-standing issue and widely applicable to all forms of supported accommodation for homeless groups.

In this final section we set out what we feel are the ‘key asks’ and recommendations at property, systems and practice levels for housing, homelessness and other relevant organisations at local and national level. However, it is important to re-state the overarching point that the current system for funding and allocating non-commissioned exempt accommodation is, in effect, broken. This is not to suggest that this form of accommodation does not ‘work’ for certain residents and vulnerable groups in certain contexts, or that there are not legitimate and effective providers in operation. We also recognise the current need for housing supply of this nature, and do not seek to summarily ‘cut off’ or curb this supply. Nonetheless, the following key features mean that the system currently works far better for landlords and providers than it does for residents, although it is undeniable that providers’ efforts to improve practice and provide an adequate service can in turn be hampered by the system itself:

- Non-commissioned exempt accommodation currently sits within a system with a large accountability deficit that affords residents little to no choice.
- The loose definition of ‘care, support or supervision’ can give a false impression of what the sector ‘offers’ to residents
- The loose definitional and operational criteria can lead to a damaging situation where a resident with very high needs is deprived of the support they actually need; or one with lower needs is forced into potentially very expensive supported environments that they do not require.

Ultimately, the financial costs of this current regulatory and funding system are great; and are often the focus of any suggestions around policy change. However, the human costs of living within accommodation funded by a set of Regulations that remain largely unaltered since 1996 is, clearly, too high. The common refrain that non-commissioned exempt accommodation ‘provides a roof’ or houses people ‘no one else will’ is not sufficient to merely accept the status quo. It is hoped we have moved on as a society and that ‘a roof’ – especially a costly, potentially risky, damaging and under-regulated roof – is not the best we can aim for. Not least, other more ‘mainstream’ housing providers traditionally catering for vulnerable and low-income groups need to be held to account for their exclusionary policies.

The system must change; and we hope this report has drawn attention to some of the issues that are often dwarfed by larger scale policy reviews. In the meantime, we have set out a series of key asks and recommendations that we hope will encourage better practice and oversight and continue to stimulate much-needed attention to this problematic, but likely enduring, area of housing policy and practice.

## Recommendations

### Housing-based Solutions:

At a minimum, within every English region, there should be a proportion of supported and transitional accommodation available for low-waged earners at risk of homelessness that adopts ‘one third of take home pay’ as a bespoke measure of affordable rent, drawing on the model developed for this report by Spring Housing.

**The DWP and MHCLG** should ensure the ongoing development of a ‘sound and robust oversight regime’ for supported housing includes mechanisms to address the ‘accountability deficit’ in the exempt accommodation sector. In particular:

- **The DWP**, in the longer term, should strengthen the criteria and definitions of ‘care, support and supervision’ in exempt Housing Benefit and Universal Credit Regulations. This will help to ensure organisations and landlords are appropriately funded for the accommodation services they provide to clients and will help to ensure residents can be more appropriately placed according to their level of need
- In the shorter term, the DWP should develop guidelines on assessing ‘exempt’ claims to allow for greater consistency across all local authorities and greater transparency for residents and providers
- **The MHCLG** should ensure that client feedback is incorporated long-term into monitoring procedures for all supported and exempt accommodation, and in a robust way
- The **DWP** and **MHCLG** should implement mandatory requirements to check and monitor the backgrounds of landlords and staff members, as well as standardised safeguarding proficiency requirements for providers
- The **MHCLG** should implement requirements on local authorities to record and monitor the geographical spread of units.

**MHCLG to mandate the Regulator of Social Housing** to develop a stronger framework for its Consumer Standards and protection across the exempt accommodation sector, including:

- Guidance specifically for lease-based Specialist Supported Housing and exempt Registered Providers around embedding a resident feedback regime. Providers should be monitored annually around implementation and client feedback ratings
- Proactive monitoring and earlier reactive involvement around resident safety; particularly in shared, supported living contexts. The current trigger of ‘serious detriment’ is too high.

### Every local authority area with non-commissioned, exempt or transitional accommodation should:

- Invest in a process of comprehensively mapping this sector; creating and disseminating transparent information to aid more appropriate referrals, enhance resident choice and respond more effectively to resident concerns
- Develop an independent action group for ‘exempt’ residents to air their issues, feelings and ideas around their accommodation, and work on remedies for change
- Encourage and promote the development of good practice in their local area.

### Researchers and charities working in the areas of housing, homelessness or safeguarding adults should:

- Investigate and publish work on the living conditions and lived experiences of people residing in shared, non-commissioned exempt and supported accommodation.

These recommendations reflect the committed but pragmatic perspective with which we approached this research: identifying **smaller practice-based reforms** that can be progressed while continuing to argue for the ‘bigger picture’ change that is required. We believe **‘on the ground’ stakeholders** should adopt this perspective. They can, in particular, use any relevant suggestions in Chapters 5.1 and 5.2, as the basis of a toolkit for local reform. Local authorities must also collect evidence on issues within their area about the impact of exempt accommodation on residents and continue to lobby central government for systemic change.

**Central government** must continue to consider the risk of harm that the current system of regulation and monitoring places on both residents and staff. All ongoing and future attempts at reform must place safeguarding and risk mitigation at their centre and incorporate the views of current residents.

Finally, we would welcome any third sector infrastructure organisations or independent homelessness charities that have read this report to campaign or co-ordinate action on a regional or national level about the issues they find most salient within this report.



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# Appendix A: Research Methodology

Using the evidence contained within the exploratory study Risk, Safety and Wellbeing in Shared, Exempt Accommodation as a point of departure, this project sought to further research and analyse the use, form and function of exempt accommodation in Birmingham. Our aim was to further explore and refine the key issues within a broader notion of social injustice in order to assess the feasibility of property-based solutions. As such, this project sought to explore the following questions:

- How well has our existing research highlighted the key issues, and how might the scope, lens and content of subsequent work need to be altered in light of this?
- What are the most salient examples of social injustice within the sub-sector and who is most impacted by these?
- What are the potential barriers to change?
- What can be done at property level to address the social injustices?
- How can this refined analysis of exempt accommodation help to suggest further change at systems, policy and practice levels?

The regulatory, policy and practice environments within which the exempt sub-sector sits are intersecting and often complex. In acknowledgement of this, and taking into account that the local authority is currently engaged in a strategic process of response to the BSAB work, the methods employed sought to engage with a range of individuals and groups at property, practice and strategic levels, to ensure that any assessment of the feasibility of solutions and recommendations sufficiently acknowledged and accounted for this complexity.

## Building on and Refining Risk, Safety and Wellbeing

A series of engagement events allowed us to test the accuracy and relevance of initial findings from the BSAB research, expand upon its main themes, and build in more focussed discussions around the issues, challenges and injustices evident within the sub-sector. 12 multi-agency engagement events were held between September 2018 and January 2019, involving referring practitioners and statutory and third sector agencies who had taken part in, or had an interest in, the research. Due to the scope of the initial project, attendees at these events were largely from homelessness charities and other support agencies who assist individuals with accommodation-finding and sustainment; local authority representatives; criminal justice agencies, and statutory bodies with a responsibility towards Adult Safeguarding and broader health and wellbeing agendas.

**Over one hundred attendees included representatives from:**

- Police, Probation and Community Rehabilitation Companies
- Domestic abuse and sexual violence charities
- Homelessness charities; youth mentoring organisations; mental health charities; substance misuse charities
- Local authority Housing Benefit, Private Rented Sector enforcement and Commissioning teams
- Fire Departments
- Local Councillors
- Health services and Social Care

Those living in, or with lived experience of, the sub-sector were engaged with separately, in order to allow participants sufficient space to foreground and discuss their own experiences and thoughts in a safe, non-judgemental environment. Two focus groups with current residents of non-commissioned exempt accommodation were held, to discuss the findings from the BSAB research, and to further scope and confirm the most salient issues of concern for residents. 20 individuals attended and were recruited with the assistance of local homelessness charities and Spring Housing Association.

## Rapid Literature and Policy Review

An extensive evidence review of research and policy around shared living contexts for homeless and vulnerable groups was carried out for our previous research. This review focused, predominantly, on 'safety', 'risk', 'safeguarding' and 'wellbeing' within 'HMOs' and 'shared housing' and took place alongside a review of research and policy into supported and exempt accommodation, and a practice-based review of the placing of 'single homeless' adults into transitional forms of accommodation. This contextual framework remains relevant to the current study but was expanded and refreshed in light of continued local strategic discussions around the sub-sector, and the fluid policy and regulatory environment currently surrounding homelessness, supported housing, and social housing regulation. Following initial consultation and engagement with practitioners, strategic stakeholders and residents as part of our dissemination of and follow up to the BSAB research, rapid literature, policy and practice reviews were carried out around the three initially identified and subsequently confirmed areas of continued focus: social harm and risk; user voice, and employment and social integration. This framework allowed for an analysis of the feasibility of any property-based solutions and helped provide the context for wider recommendations.

## Stakeholder Mapping

Building upon the BSAB work, a refreshed stakeholder mapping exercise was carried out. This incorporated findings and insights from the original research; information gathered through subsequent engagement and dissemination events, and through one-to-one meetings with individuals and groups involved in the wider policy environments of both homelessness and supported accommodation. This helped to ensure we were engaging individuals and groups with an interest or influence on the sub-sector with sufficient breadth, and to ensure any property-based proposals were relevant, required, and would meet our project aims.

## Strategic Stakeholders

Based on a refreshed stakeholder mapping exercise, 25 one to one and group meetings took place with local and national stakeholders deemed to have a strategic interest in homelessness, supported housing and exempt accommodation. These meetings discussed the BSAB research and its implications; wider policy issues; key areas of concern at policy and practice levels, and potential ideas for, and barriers to, change. This included representatives from:

- MHCLG and DWP
- Constituency MPs and local ward councillors
- Local authority cabinet members
- Independent experts in Housing Benefit and Universal Credit
- Senior level police personnel and intelligence units
- Local policing teams
- National homelessness charities
- Local authority housing departments outside of Birmingham
- National HMO landlord bodies

## Residents

In addition to the focus groups, 5 one-to-one interviews were carried out with current residents of Spring Housing Association. Individuals were identified with the assistance of housing support staff and a process of informed consent was adopted to aid recruitment. Interview schedules were based on information gathered during the literature review, scoping and focus group phases, and were semi-structured to allow scope for participants to discuss their own experiences and foreground what was important to them. Participants were given a £10 supermarket voucher as a recognition of their time and expertise and were reimbursed for travel costs if the interview was not conducted near to their place of residence.

Due to the scale and scope of this research, it was not possible to sample a large number of residents for interviews and a decision was taken to focus in-depth interviews on possible employment-related solutions, due to the direction the project was taking following the initial phases of research and engagement, which overwhelmingly highlighted employment as the main, or a key, concern.

These methods were supplemented by two case studies of employment-related issues provided by Spring Housing staff, and a series of anonymised case studies of wider resident experiences of exempt accommodation, provided by homelessness charities at multiagency meetings on local issues within the sub-sector.

## Landlords and Providers

It was our original intention to more engage more widely with the main Registered Providers of Social Housing (RPs) operating within the local sub-sector. Such a process would have helped us to gather and assess provider views on the most prevalent issues identified through our initial scoping and research. This would also have helped to gauge the potential impact and replicability of any property-based solutions, in line with our broader intention to gain wider interest in the adoption of new modes of working; thereby attempting to break the seeming impasse within the sub-sector around innovation and the development of good practice.

However, the current local policy and strategic environment around exempt accommodation is fluid, driven largely by the BSAB research. In order to maintain stakeholder relations, and to not duplicate or impinge upon any engagement with RPs being undertaken by the local authority, the decision was taken to target providers we knew through our previous research and engagement events were interested in solution-based options for change, and who would potentially engage with a project focused on developing better practice and innovation. This was seen to provide a good basis for gauging initial opportunities for change within the sub-sector and developing ideas for reform; the refined results of which could subsequently be disseminated to a wider sample of providers.

### **Methods of provider engagement and research included:**

- A round table event with three providers of supported accommodation, focused on employment and social integration
- Individual interviews with providers as a follow up to the employment roundtable event
- In-depth interviews with five Spring Housing staff
- In-depth interviews with five homelessness practitioners
- Workshops with fifteen support staff from seven organisations providing non-commissioned, exempt accommodation. These workshops focused on social harm, risk and user voice

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Cover image created by Robert Boyle