

# Economy & Enterprise Overview and Scrutiny Committee

18 December 2024

## Supported Housing Improvement Programme (SHIP)



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### Report of Amy Harhoff, Corporate Director for Regeneration, Economy and Growth

#### Electoral divisions affected:

Countywide.

#### Purpose of the Report

1. The purpose of this report is to provide Economy and Enterprise Overview and Scrutiny Committee with an update on the Supported Housing Improvement Programme (SHIP), working with non-commissioned supported housing providers across County Durham.

#### Executive summary

2. Durham County Council (DCC) submitted a bid for funding to the former Department for Levelling Up, Housing and Communities (DLUHC) in summer 2022 to establish a SHIP. The bid was successful and £578,795 was awarded to run up until March 2025. The purpose of the funding is to enable the council to increase its oversight and involvement within the non-regulated, non-commissioned supported housing sector.
3. The SHIP funding established a multi-disciplinary team, made up of six posts including:
  - a) a programme co-ordinator;
  - b) two housing benefit officers;
  - c) a housing needs officer;
  - d) a property inspection officer; and
  - e) an adult social care officer.

4. The SHIP has been in place for the past 23 months and is making significant progress with increasing Durham County Council's oversight in relation to the non-commissioned supported housing sector, as well as making significant improvements with the property and support standards across this sector.
5. The programme is also making a positive financial impact for the council by progressing with plans to reduce housing benefit subsidy loss. The SHIP team are working with supported housing providers to reduce bed blocking, as well as challenging new provision and scrutinising existing housing benefit claims.

### **Recommendations**

6. It is recommended that the members of Economy and Enterprise Overview and Scrutiny Committee note the contents of this report and presentation delivered at the meeting and provide feedback accordingly.

## Background

7. Supported housing can be both commissioned and non-commissioned. It is accommodation packaged with support to enable some of the most vulnerable people to live as independently as possible in the community. The cohorts this sector supports include\*:
  - a) individuals at risk of or who have experienced homelessness;
  - b) people recovering from drug or alcohol dependence;
  - c) people with experience of the criminal justice system;
  - d) young people with a support need (such as care leavers or teenage parents);
  - e) people with mental ill health; and
  - f) people fleeing domestic abuse.

\*These are not always distinct groups, and many individuals may have multiple needs.
8. Supported housing that is commissioned by the local authority is inspected and monitored with a clear performance framework in place, however there is currently no regulator of non-commissioned supported housing and providers can set up without approval from the local authority. This can provide many problems including organisations and landlords setting up for commercial gain and not for the welfare of the client, as well as not providing the level of 'care, support and supervision' as set out in their housing benefit application.
9. These properties are often purchased in cheaper locations including regeneration areas therefore potentially adding to existing problems of anti-social behaviour. A recent example of this was a provider who bought properties across the county, some of which were in Horden, a targeted delivery plan area. This provider could not demonstrate an adequate provision of 'care support and supervision' to their tenants and subsequently resulted in non-payment of housing benefit by DCC. This decision was made in late 2022, in advance of the SHIP programme.
10. Currently in County Durham there are 20 providers of non-commissioned supported housing. These providers collectively manage approximately 754 units of accommodation providing transitional/short term supported accommodation.

11. Both nationally and regionally there have been increasing reports of poor-quality, non-commissioned supported housing. As a result, there are concerns about the detrimental impact this can have on:
  - a) resident wellbeing and outcomes;
  - b) the neighbourhoods surrounding these schemes; and
  - c) the pressure this can place on public services.
12. A BBC Panorama documentary exploring this issue was produced in August 2022, where the provider 'My Space' was investigated.
13. To address the emerging challenges within the non-commissioned supported housing sector the former DLUHC launched the SHIP in summer 2022. Local authorities were invited to bid for a share of £20 million to help address poor quality supported housing and improve standards of support and provision.
14. The council submitted a bid and in Autumn 2022 was awarded £578,795 to implement the SHIP in County Durham. The funding will enable the council to increase its oversight and involvement in the non-commissioned supported housing sector. The proposed outcomes of the programme are:
  - a) improved property and management standards of supported accommodation;
  - b) improved knowledge and introduction of a new gateway approach to better manage supply of supported accommodation across the county;
  - c) quality support tailored to meet individual tenant needs;
  - d) value for money for both providers, tenants and the council;
  - e) upskilling of the providers' workforce;
  - f) improved engagement and support to service users from the council; and
  - g) collaborative production of a supported accommodation charter to help establish and maintain high standards.
15. Between 2020 and 2022 the non-commissioned supported housing sector across County Durham saw a 40% growth in the total number of units. Since the introduction of SHIP in January 2023 the number of units

has increased by 8%, a significant reduction in the rate of expansion across the sector.

16. The SHIP is having a significant positive impact on the non-commissioned supported housing sector and is progressing well with delivering the outcomes set out in the original funding bid. The programme is on track to review all non-commissioned supported housing providers operating in County Durham before the end of March 2025.
17. In addition to being on track to deliver the proposed outcomes set out in the original funding bid, the programme is also having a significant impact on supporting housing benefit colleagues tackle the financial challenges associated within supported accommodation and is also supporting internal services and external partners tackle wider social challenges.

## **Financial Impact**

### **Housing Benefit Subsidy Loss**

18. The SHIP team has played a key role in working to reduce the council's housing benefit subsidy loss costs. Subsidy loss is the shortfall in housing benefit payment made to local authorities from the Department for Work and Pensions (DWP), when the housing provider is not registered with the Regulator for Social Housing (RSH) and is otherwise set up as a charity, community interest company or social benefit society. In 2023/24, the housing benefit subsidy loss was £1.6 million for non-commissioned supported accommodation. The overall subsidy loss for DCC, including housing benefit overpayments, temporary accommodation and supported accommodation, for 2023/24 was £3.4 million.
19. The SHIP team is actively working to encourage providers to become registered with the RSH or partner with an existing registered provider (RP) to help tackle the council's subsidy loss challenges.
20. The SHIP team has undertaken additional tasks to reduce DCC's subsidy loss, including:
  - a) review of the levels of support given to tenants and promotion of tenant 'move on' where support is no longer required;
  - b) scrutinising non-commissioned supported housing costs submitted by providers; and

- c) challenging the increase in housing units that existing non RPs are offering.

## **Gateway Approach**

- 21. Durham County Council is continuously approached by non-commissioned supported housing providers who aspire to provide supported accommodation in County Durham.
- 22. The SHIP has developed a gateway approach to strengthen internal processes and scrutiny of prospective non-commissioned supported housing providers wishing to move into County Durham and existing providers who wish to expand their existing portfolios.
- 23. Due to lack of regulation within this sector, the council cannot prohibit providers from setting up supported accommodation. The gateway approach does enable the SHIP team to investigate the provider in more detail from the outset and deter the more unscrupulous providers from going ahead. The gateway approach includes:
  - a) development and implementation of a non-commissioned supported housing web page and [proforma](#), which requests further information from a provider (governance arrangements, property details, support arrangements etc.);
  - b) implementation of a gateway working group to enable Durham County Council officers to consider new supported housing proposals in more detail, including:
    - (i) costs;
    - (ii) referrals;
    - (iii) location of proposed schemes;
    - (iv) pathway; and
    - (v) processes and procedures.
  - c) mapping of existing provision to understand location of properties and ensure there is not high numbers of supported accommodation in certain areas; and
  - d) property inspections and tenant reviews are conducted before housing benefit is paid to new providers.

24. Since the start of SHIP in January 2023 there have been 28 approaches from providers, all from non RPs, of which 24 have been in the past 12 months. Of the 28 approaches:
- a) 21 providers chose not to progress with their plans, this was following scrutiny of their proposals as part of the gateway approach with the SHIP team;
  - b) two providers did submit housing benefit claims but were refused following scrutiny of their claims; and
  - c) two providers (three properties in total) progressed to receiving exempt accommodation status, this was following a rigorous process and Durham County Council receiving noted reassurance that there would not be a rapid expansion of their provision.
  - d) Three proposals have only recently been received and DCC is in the very early stages of understanding these proposals further.
25. It is difficult to put an exact figure on how much has been saved by putting these gateway measures in place, mainly due to varying weekly rent costs and the scale of provision for each proposal however if all 26 providers referenced in paragraph 34 were not registered, then based on having one property each, the gateway approach would have saved approximately £128,980.80 per year in housing benefit subsidy loss, based on current average weekly costs (£95.4 x 26 x 52).
26. Data has shown that once a provider is 'approved' to operate in the county there is very often a fast expansion of provision. For example, Addictions North East began with one property in 2015, ten properties by 2019 and 78 properties by 2024. Similarly, Handcrafted began with one property in 2014, 12 in 2019 and 37 properties by 2024.

### **Review of all Housing Benefit Decisions**

27. Since June 2023, 336 tenant reviews (across 17 providers) have taken place to validate housing benefit decisions and ensure that tenants are receiving above the minimal amount of care, support, and supervision. 129 support plans, including records of contact and referral forms have been scrutinised to ensure contact with the tenants is taking place, ensuring the tenant can maintain their tenancy.
28. Over the past 20 months, 18 housing benefit claims have been suspended or cancelled, and a further four claims amended as a direct result of information disclosed during SHIP support reviews, highlighting

incorrect information on housing benefit claims as well as concerns about lack of support, non-engagement, or vacant properties. The average weekly total saved through a cancelled claim is £318.50.

## **Tenant Move On**

29. Supported accommodation should be considered short-term for up to two years and be transitional, as a stepping stone for independent living. The SHIP has supported providers with tenant move on and has facilitated tenants moving out of supported accommodation into their own tenancy, when tenants are ready.
30. Ensuring tenants are moved on from supported accommodation when they are ready, helps prevent bed blocking and frees up the supported accommodation for use by other residents of County Durham. The SHIP team has improved working relationships between Durham County Council's frontline homelessness team and the non-commissioned providers and has subsequently improved pathways for homeless individuals. This has resulted in a reduction in the length of time people spend living in TA or helped prevent someone from moving into TA in the first place. The work of the SHIP team has been incorporated into the TA delivery plan to reduce overall expenditure of TA.
31. The SHIP team is actively working to move tenants on from non-commissioned supported housing where there is no longer a support need. The work includes providing Durham Key Options (DKO) training for non-commissioned supported housing staff, ensuring tenants are registered for DKO at the earliest opportunity and supporting with DKO appeals and rent arrears.
32. Over the last 20 months the SHIP team has facilitated 48 tenants to sign up to DKO's housing register, six people are now in band one on the DKO housing register, which is the band with the highest priority for housing and all are waiting for a property. The SHIP team is supporting with four DKO appeals, working with the frontline homelessness service to consider and agree where rent arrears can be cleared, or payment plans put in place.
33. For the majority of providers, the percentage of tenants that have been in supported accommodation for two years or more has fallen following SHIP intervention. With the SHIP team continuing to query individual tenant situations with the providers.
34. Additionally, the SHIP team has worked with providers and tenants to prevent evictions from supported housing, which would have resulted in people been placed into TA. The team have accessed funding from the



homeless prevention grant to enable a planned move into more appropriate accommodation including another supported housing provider or a private tenancy to prevent homelessness.

**Case Study 1** – During work with one of the non-commissioned supported housing providers it became apparent that several tenants were ready for independent living, but steps had not been taken by the provider to move the tenants on. With one tenant (tenant x), this was very much the case. The SHIP team's preferred route to move a tenant on to independent living is via Durham Key Options (Durham's social housing register), however, due to rent arrears and a previous criminal conviction this tenant was excluded from the social housing register. Through the SHIP team learning more about the tenants it was clear he / she had demonstrated a change in behaviour e.g. was maintaining existing tenancy; building good relationship with housemates and neighbours; and was paying current housing service charges. Therefore, it was agreed the SHIP team would work with the tenant to pay off the outstanding rent arrears and appeal exclusion from the housing register, based on a change in behaviour and good references. The appeal was successful, and the tenant was granted top priority banding on Durham Key Options. The SHIP team supported the individual to bid on properties and they were successful in applying for a bungalow, which was in the tenant's preferred area: close to family and local amenities, and perfect due to the tenant's mobility issues.

## **Social Impact and Added Value**

35. In addition to the financial impact SHIP is having for Durham County Council, the programme is also having a significant wider impact on other internal and external services and challenges supporting with the County Durham Partnership's 2035 Vision and their key ambitions:
- a) people live long and independent lives;
  - b) connected communities; and
  - c) more and better jobs.

## **Property Standards**

36. When working with each SHIP provider, inspections of properties are carried out to identify any areas of disrepair or hazards and ensure they are being let in line with relevant legislation. To date, 168 non-commissioned supported housing properties have been inspected, since the start of SHIP, with defect reports being sent to providers where properties repairs are needed, in line with the Housing Health and Safety Rating System (HHSRS).
37. Out of the 168 inspections carried out, 154 properties failed the first inspection. Of the 154 properties that failed, 85 have since been improved to meet standards and five have been handed back to landlords by the provider, due to landlords refusing to carry out the required works (these will be monitored by Private Sector team if tenanted). The council is now considering taking enforcement (improvement notices and fines) against landlords and providers where timescales have elapsed, and works have not been completed.
38. The Private Sector Officer for SHIP has been working closely with providers to ensure works are carried out; agreeing timescales and liaising with principal landlords when needed. Additionally, providers have been supported to improve property processes including: carrying out routine inspections; reporting repairs and recording property documentation.

## **Anti-Social Behaviour and Crime**

39. The SHIP team has worked with the Police in relation to various issues that have occurred with some of the SHIP providers. For one particular supported housing project situated in East Durham, the Police provided data to show that over the past 12 months the number of call outs had reduced by 50%. The Police have acknowledged the SHIP's role in this reduction.

## **Non-Commissioned Supported Housing Forum and Training**

40. The SHIP includes a quarterly non-commissioned supported housing forum, where providers, partners and colleagues from across Durham County Council come together to share updates and best practice and co-produce documents including the non-commissioned supported housing charter. SHIP has also facilitated a number of training opportunities for providers including:
  - a) safeguarding (raising a concern);
  - b) trauma informed principles; and

c) housing standards and housing benefit training.

41. In total 198 attendees, from 19 different organisations have attended training provided via SHIP.

### **Non-Commissioned Supported Housing Charter**

42. Alongside partners and providers, the SHIP team has co-produced a Non-Commissioned Supported Housing Charter. The charter gives reassurance that the providers (new or existing within County Durham), who commit to the charter, meet a minimum standard, in terms of property standards and support for tenants, offer value for money, and that the provider has been reviewed as part of Durham County Council's SHIP. The charter is attached at Appendix 2 of this report.

43. The charter also asks that all referrals into their organisation come from Durham County Council's homelessness service or another professional organisation within County Durham, e.g. Police, Probation or another supported housing provider.

### **Safeguarding and Adult Social Care**

44. The SHIP team also identifies safeguarding concerns, or unassessed tenant vulnerabilities and takes the appropriate action. There have been seven safeguarding and social care concerns raised with providers and social care services. The team has supported tenants with referrals and move on to more appropriate living arrangements where needed. The SHIP team have co-ordinated multi-agency meetings where ongoing concerns about a provider have indicated potential safeguarding issues. Appropriate actions have been taken to address concerns through an escalation process managed by SHIP in liaison with managers in Adult Social Care.

**Case Study 2** - Tenant Y lived in a shared occupancy, two storey property, with one bathroom. Unfortunately, Tenant Y has deteriorating care needs which made his / her existing property unmanageable, and put extra pressure on housemates, to support with tenant Y's care needs. The SHIP team worked with the tenant to find alternative supported housing, which more closely met his / her support needs. A social care assessment was also arranged for the tenant, and it was determined that Tenant Y has a care need and therefore was entitled to a package of care (weekly care visits and additional care aids). Tenant Y (and his / her dog) are much happy in their new accommodation, and they are receiving the additional care from Adult Social Care that they are entitled too.

## **NHS Health Squad and Drug and Alcohol Workers**

45. The SHIP team has worked with Public Health to secure funding via the 'Dame Carol Black' housing support grant to recruit two drug and alcohol workers to work directly with the non-commissioned supported housing providers.
46. The NHS Health Squad have been working alongside the SHIP project since November 2023. The Health Squad provide health checks and run health events for those residing in non-commissioned supported housing. So far, the Health Squad have worked with fourteen providers, collaborating with other support services (sexual health, hepatitis C charities, Wellbeing4Life, cancer awareness, stop smoking etc.) to offer support.
47. Since November 2023 125 health checks have been carried out with residents and a number of these have engaged with more long-term support. The Health Squad are continuing to expand their work with the SHIP team and will soon be engaging with other providers.
48. The two Humankind drug and alcohol workers provide weekly drop in sessions at the non-commissioned supported accommodation sites, providing support for those tenants who suffer from substance misuse issues.

## **Next Steps and Continuation on SHIP**

49. Acknowledging the challenges within the non-commissioned supported housing sector, the Government passed the Supported Housing (Regulatory Oversight) Act in the Summer of 2023. The details of the Act and how this will impact local authorities is still being determined and it is now anticipated that the details will not be agreed until 2025 following a period of consultation with Local Authorities.
50. The Ministry of Housing, Communities and Local Government (MHCLG) have not announced any continuation of funding for local authorities delivering SHIP. It was therefore agreed at Corporate Management Team in October 2024, that SHIP would be funded for a further 12 months, up to the end of March 2026. The programme would continue to have a positive impact for the council by:
  - a) progressing with plans to reduce housing benefit subsidy loss;
  - b) ensuring property and support standards are maintained at a minimum level or above

- c) preventing bed blocking within non-commissioned supported housing to assist with wider accommodation pressures for those homeless households and those living in TA
  - d) challenging new provision and scrutinising existing claims.
51. The continuation of the programme will also allow continuity of the progress already made and to maintain the high standards expected of the council's non-commissioned supported accommodation providers. It would also allow further opportunities to support more non RPs to begin the journey to become a registered social landlord, which not only benefits them but also prevents further housing benefit subsidy loss

### **Conclusion/Next Steps**

52. The programme is having a significant impact on addressing the challenges within the non-commissioned supported housing sector: raising standards; ensuring tenants are supported and ensuring value for money.
53. The programme is on track to deliver the outcomes proposed in the original SHIP funding bid by the end of March 2026, which includes reviewing all non-commissioned supported housing providers currently operating in County Durham. From April 2025 each existing provider will receive a second inspection to ensure property and support standards have been maintained.
54. The SHIP team will continue to work with all existing and new providers as highlighted in this report throughout 2025/26. To improve the gateway process, work is underway to establish a 'Power BI dashboard' mapping all existing provision across the County. This will help to alleviate the pressures that supported accommodation can have if it is concentrated in one location.
55. The programme is also making a positive financial impact for the council by progressing with plans to reduce housing benefit subsidy loss. The SHIP team are working with supported housing providers to reduce bed blocking, as well as challenging new provision and scrutinising existing claims.
56. The success of the programme, as well as additional plans to continue to support with addressing the financial challenges within the sector has seen the programme extended for a further twelve months, to end of

March 2026. Updates will continue to be provided to the Economy and Enterprise Overview and Scrutiny Committee

### **Background papers**

- [OSC SHIP Report Dec 2023](#)

### **Other useful documents**

- None

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## **Appendix 1: Implications**

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### **Legal Implications**

Details of the Supported Housing (Regulatory Oversight) Act 2023, which will impact how Durham County Council monitors non-commissioned supported housing are currently being finalised. It is anticipated that local authorities will know more after the Government's Autumn 2024 financial statement.

### **Finance**

The funding awarded to Durham County Council for SHIP is to support the local authority to achieve the outcomes and objectives set out in the funding bid.

### **Consultation and Engagement**

Durham County Council will ensure it carries out any consultation requirements linked to changes in non-commissioned supported housing.

### **Equality and Diversity / Public Sector Equality Duty**

The council will take all opportunities to get feedback from hard-to-reach individuals across the county, if consultation is required

### **Climate Change**

None.

### **Human Rights**

None.

### **Crime and Disorder**

The programme aims to work with supported housing providers and partners to improve crime and anti-social behaviour within supported housing.

### **Staffing**

The decision to fund the SHIP programme for a further year directly impacts six members of staff.

### **Accommodation**

None.

**Risk**

None.

**Procurement**

None.



**Appendix 2: - see attached Non commissioned supported housing charter**