



VIEWS

Autumn 2021

Understanding and Managing Risk within Lease-based Specialised Supported Housing and the Social Housing Sector

– Sarah Jackson, Senior Consultant DTP



The Challenge

Specialised Supported Housing (SSH) is a form of supported housing where accommodation, support and/or care services are provided to enable individuals to as independently as possible. Typically, although not always exclusively, SSH provision is often associated with providing accommodation for people living with a learning disability and/or autism, mental health support needs, personality disorders or some form of specialist care and support need.

Over the last five years or so new models have emerged which often link the provision of SSH to long lease-based structures, funded through private equity, and linked to accommodation providers who are also Registered Providers of Social Housing – often Housing Associations and known more widely as RPs.

Specialised Supported Housing is defined within the Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 and also more recently within the Government's Policy Statement on Rents for Social Housing 2019, issued by the Ministry of Housing, Communities and Local Government), as a form of supported housing (also defined within the policy statement).

Since the near failure of a lease-based housing provider in 2018, the Regulator of Social Housing (RSH) has placed particular and increasing focus on the emerging wholly lease-based RP sector and other RPs who hold lease-based stock within their stock portfolio. It has downgraded a number of organisations to non-compliant gradings for governance and/or financial viability and issued a range of regulatory notices and judgements. The focus of regulatory scrutiny is varied however one significant cause for concern relates to high rental charges linked to long term leases. Whilst SSH is one of the categories of supported housing which is exempt from the Rent Standard 2020, this is subject to very specific criteria and does not detract from any provision also needing firstly to meet the requirements of being social housing e.g. 'low cost rental accommodation at below market rate levels' and 'accommodation made available to people whose needs may not be adequately served by the commercial market'.

In April 2019, the RSH published an Addendum to the Sector Risk Profile 2018 'Lease Based Providers of Specialised Supported Housing' which identified the concerns the RSH had along with common themes identified with organisations under regulatory scrutiny and recovery. In December 2020, the Local Government Association (LGA) also published guidance for Local Government and NHS providers around lease-based models of SSH which followed previous guidance issued to commissioners of SSH in 2019 by NHS England and NHS Improvement, the LGA and Association of Directors of Adult Social Services (ADASS).

This is clearly a challenge for the sector that is not going away and scrutiny from the RSH and other public funded organisations is increasing.

How we can help

If you provide, manage or commission lease-based SSH within the social housing sector there are a variety of risks relating to rental charges, lease obligations and wider RSH scrutiny that you should be aware of and ensure you are managing effectively within your organisation. These include ensuring that any provision:

- can demonstrate that it meets the requirements of being social housing e.g. 'low cost rental accommodation at below market rate levels'
- can evidence the specific definitions for SSH itself

It is also important to ensure any risks related to long term leases can be managed and effectively mitigated, there is sufficient governance oversight at Board level and that providers have clearly defined policies in place which support the approach to both developing new forms of SSH and in managing accommodation to ensure that compliance is maintained.

DTP have extensive experience of working with and supporting a range of SSH providers operating within the social housing sector, in both developing and operating forms of SSH including several whom they have supported around regulatory recovery when things have gone wrong. We can help you if you need advice or support around:

- how to develop or manage SSH
- how to effectively manage the associated risks, governance arrangements and regulatory compliance
- how to ensure that services are commissioned effectively and short and long term risks are understood and managed
- getting back on the right track if you or the RSH have concerns about your provision

If you'd like to know more and have an informal discussion about how we might be able to support you, please get in touch with our specialist care and support team:

Angela Lomax – Director at DTP (email a.lomax@ntp.uk.com)

Sarah Jackson – Senior Consultant at DTP (s.jackson@ntp.uk.com)

Chris Munday – Senior Consultant at DTP (c.munday@ntp.uk.com)