Bristol City Council

Adult Social Care

Policy and Advice on Housing for Adult Social Care Clients

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1. Introduction

Bristol is currently facing a significant unmet demand for specialised supported housing to cater to individuals with complex social care needs. Many adults with long term conditions reside in inappropriate settings such as residential care due to the lack of availability of appropriate community based supported living schemes. Residential care, for social care cohorts, is a poor solution for both the client, and for Bristol City Council (BCC).

The importance of high-quality housing within the realm of Adult Social Care (ASC) is pivotal in delivering the ASC vision and strategy for the residents of Bristol. The council, in its commissioning of modern care and support services, places housing as a key consideration. Evidence attests that the provision of superior housing yields markedly improved outcomes for service users, while also being more financially sustainable in the long term, particularly when transitioning away from the traditional residential care home paradigm.

The landscape of housing models within the ASC sector has evolved over time, with certain legacy approaches now posing challenges, particularly when reliant on Local Housing Allowance (LHA). Local Authorities (LAs), including Bristol, are actively pursuing the strategic separation of care from housing delivery to optimise service opportunity and outcomes, and to establish a clear demarcation of care and housing costs.

The clear exemplar of best practice in the field of complex needs supported housing delivery is Specialised Supported Housing (SSH) delivered by a Registered Provider (RP) of social housing with separately procured care and support. This configuration enables the RP to house clients under a full cost recovery model, at no cost to the council.

Concurrently, care services can be commissioned through a third-party care provider, enabling focus on each distinct element of service provision. This division enables cost effective and sustainable housing solutions, while expanding the range of choices available to clients, and streamlines commissioning for the local authority.

Throughout this document, Registered Provider (RP) refers exclusively to providers of social housing, regulated by the Regulator of Social Housing (RSH).

2. Aims and Objectives

This policy framework has been designed to expedite the establishment and expansion of specialised supported accommodation, catering specifically to the social care needs of our citizens. The document is aimed at Registered Providers, care providers and other landlord types that may wish to deliver supported housing for Adult Social Care (ASC) clients. Aligned with the council's commitment to provide care services, this framework seeks to outline the council's preferred housing delivery models, and to provide the background information that informs this preference.

Central to this policy are our partner Registered Providers who are equipped to deliver innovative and tailored solutions that effectively address the intricacies of complex needs and specialised housing requirements.

We have developed this housing policy guidance alongside the Supported Housing Delivery Plan and ASC's Single Framework. The single framework is a simplified way for the council to buy care and support which will streamline terms and conditions in contracts with providers and improve outcomes for the people we support.

This policy establishes a clear commissioning and housing delivery strategy, empowering the council to facilitate the provision of high-quality accommodation that caters to the diverse and complex needs of various client groups. By developing this policy framework, BCC seeks to enhance the provision of supported accommodation for citizens with a wide range of social care needs, while ensuring compliance with regulatory standards, and preventing exploitation of the housing benefit scheme.

Our goal is to create a robust system that supports the accommodation requirements of defined client groups, fostering a supportive and inclusive environment for all residents. This initiative aims to enable Bristol to deliver its forecast requirement for specialised housing and contribute significantly to the well-being and quality of life for those with social care needs.

By aligning this policy with the Single Framework and the Supported Housing Delivery Plan, care providers and RP landlords can work in partnership enhancing our development of quality housing with care and support for individuals with social care needs. Together we can create a stronger, more inclusive community that prioritises the well-being and dignity of all our residents.

3. Key Principles

3.1 Enabling Registered Providers to deliver bespoke, specialised, supported housing solutions.

Registered Providers (RPs) are an integral part of the government's national network of regulated landlords and are regulated by the Regulator of Social Housing (RSH). All welfare benefit and specialised housing legislation is written to support and favour RPs, recognising their crucial role in meeting the housing needs of vulnerable individuals. Where specialised housing is delivered via an RP it is delivered at no cost to the LA, enabling the LA to focus on the commissioning of effective care services.

The policy places emphasis on enabling RPs to deliver bespoke, high quality and safe housing solutions through the acquisition of properties utilising the Specialised Supported Housing (SSH) Rent Standard exemption. To ensure consistency and adherence to the framework, BCC has established specific criteria and processes that must be met for a SSH delivery proposal to be supported by the requisite care contract. For RP landlords, compliance with these criteria is essential to obtain an in-principal housing benefit decision, which is a prerequisite for property lease, development, or acquisition by the RP.

3.2 Full-cost recovery of acquisition and delivery costs

The framework allows for full-cost recovery of accommodation acquisition and delivery costs through an RP as SSH. It is expected that compliant RPs will not encounter significant issues with these terms, as they are designed to ensure the financial viability and sustainability of the supported accommodation services provided.

3.3 Ensuring compliance with Regulator of Social Housing's rent standard and preventing housing benefit exploitation.

This policy guidance has been developed to ensure compliance with the RSH's rent standard and prevent any issues that may arise with housing benefit decisions once claims are received. This policy statement complements the individual single framework specifications and aims to ensure that all utilisation of rent standard exemptions commissioned by BCC adheres to all regulatory requirements.

An important aspect of this policy is to prevent a small number of non-compliant RPs from exploiting the housing benefit scheme and rent standard exemptions through this framework. Such exploitation may involve securing unreasonably high core rent elements compared to genuinely comparable accommodation. In developing this policy, BCC aims to safeguard against any potential abuse and ensure fairness in the distribution of public resources. Supported Living schemes developed in collaboration with commissioners and in agreement with housing benefit policy officers will not be rejected.

4. Roles & responsibilities

Responsibility for the implementation of this policy rests with:

Joe Wheeler Adult Social Care

Staff who need to be aware of this policy because they may be involved in the delivery of supported housing are:

- Commissioners, brokerage officers, and social workers in Adult Social Care.
- Housing Benefit officers and Housing & Landlord Services.
- Housing Strategy & Enabling Team, Housing Delivery Team
- Commissioners working in Housing Options and Children & Young People's services.
- Contract management and procurement officers for Adult Social Care and Housing Options.

5. Scope

There are a number of key priority cohorts of people that receive care services from ASC and require an offer of sustainable and high-quality housing. Typically, these cohorts are currently residing on hospital wards, or in care homes either locally or nationally.

5.1 Assuring transformation cohort (people in inpatient settings)

Following the Winterbourne View scandal, the government initiated the assuring transformation program aimed at transitioning individuals with learning difficulties from inpatient settings to community placements. Bristol's cohort, although relatively small with an estimated 20-30 potential clients, presents the most significant challenge in establishing sustainable, community-based accommodation solutions. These individuals often remain in hospital due to the lack of suitable housing options in society that can adequately address their complex care needs. Therefore, it is crucial to develop a tailored housing solution that aligns with their specific diagnosis, risk factors and behavioural requirements.

5.2 People living in out of area residential

There are currently 107 individuals living within a specialist residential care home, outside of the Bristol North Somerset & South Gloucestershire (BNSSG) area. People within this cohort may have a range of needs, such as learning disabilities, mental health, or physical support needs. Although some individuals are living out of area by choice, most out of area placements are being made due to a lack of capacity for this cohort within specialist settings in Bristol and the surrounding areas. These placements are often more expensive than comparable services within the Bristol area, however with little choice in the local market, individuals are living away from their local area and connections.

5.3 People living in BNSSG integrated care board residential

There are currently 423 individuals living in residential settings within the BNSSG footprint, who are living with long term conditions. People within this cohort may have a range of needs, such as learning disabilities, mental health, or physical support needs. There is currently little provision for people within this cohort, which is causing a reliance on out of area and off framework placements. The waiting list for this cohort is ever increasing, with particular difficulty in securing placements for people with higher levels of complexity. Although residential care may be a good option for some people within this cohort, it is now recognised that many of these individuals would be better served living in a less institutional environment, where they could live more independently.

5.4 Young people Preparing for Adulthood (18-25)

The Preparing for Adulthood cohort comprises of young people 18-25 years old who are eligible for care and support under the Care Act. There are currently 81 individuals receiving care support in either a residential or supported living environment. Young people transitioning into Adult Social Care in Bristol make up a significant amount of the need for accommodation over the next few years. Many of whom can present with complex needs that require bespoke support and solutions to enable them to live full and independent lives engaging in education employment or training.

5.5 People with multiple disadvantage or complex needs

This group of people have been identified as experiencing multiple factors of disadvantage including mental health needs, substance misuse, homelessness, criminal justice contacts and/or domestic abuse. Traditional supported accommodation provision is not working well for them, leading to multiple placement breakdown, readmission to hospital, homelessness or remanded into custody. This group comprises a high proportion of individuals who have previously been detained under the Mental Health Act and who are eligible for s.117 aftercare. A different approach to supported accommodation is needed for these individuals with specialist support providers offering a stable place to live and a foundation for recovery.

5.6 People with learning disability or Autism living with family carers

It is acknowledged that there may come a point where carers of this group are no longer able to provide care, due to increasing health or social care needs of their own, or the need to provide care for other family members such as partners, or because of the impact of providing care long-term. Proactive planning for this future point would benefit this cohort and avoid accommodation moves made in a crisis. Support will be needed to maximise their independence and opportunity to access appropriate accommodation with support, close to their networks and local community. There is also scope to explore development of new intergenerational models of accommodation with support that could meet the need of the person with a learning disability and/or autism and their carer with support needs.

5.7 People requiring mental health hospital stepdown

This cohort comprises of individuals discharging from inpatient mental health hospital settings. We have increasing demand for supported accommodation for people with mental health support needs. There is a demand for provision to facilitate timely discharge from mental health hospitals for individuals who may need short-medium term supported accommodation to transition to the community and plan for move on to greater independence. This provision could help to reduce delayed transfers of care, reduce risk of overprovision due to lack of assessment opportunities in the community and could encourage greater access to general needs housing.

6. What is Specialised Supported Housing?

6.1 This is housing that is provided by an RP and:

- Offers a high level of support analogous to that provided in a care home for clients for whom the only acceptable alternative would be a care home.
- No or negligible public subsidy has been received whether in the form of grant or free land.
- The scheme is provided by the RP under an agreement or arrangement with the LA or the NHS and the rent charged complies with this agreement or arrangement.

The above conditionality means that SSH can only be provided by an RP to meet a specific housing need. It enables the RP to use a variety of funding methods to secure and provide property to a client or clients.

6.2 Specialised Supported Housing (SSH) definition

The majority of the accommodation that the council would like to be brought to the single framework for clients with social care needs is likely to be more specialised or bespoke than is typically delivered by ordinary supported housing.

Meeting the housing requirements of clients with complex social care needs often entails higher costs for various reasons. To address this, the SSH Rent Standard exemption allows for the provision of bespoke, specialised accommodation on a full cost recovery basis. Any reasonable and eligible expenses related to the delivery of such specialised housing can be funded through housing benefits.

The Regulator of Social Housing (RSH) has established a policy statement on rents for social housing, which includes the standard social rent determined by the formula rent and various exemptions. One of these exemptions is for SSH, and its criteria are defined in the Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 (SHRR2016).

All schemes, rents, and service charges brought into the single framework must comply with the Rent Standard exemption and relevant housing benefit legislation. This ensures regulatory compliance and supports the provision of suitable housing for clients with specific social care needs. This definition regulation sets out an exemption in respect of Specialised Supported Housing, which means (abridged):

Specialised Supported Housing means supported housing:

a. which is designed, structurally altered, refurbished or designated for occupation by, and made available to, residents who require specialised services or support in order to enable them to live, or to adjust to living, independently within the community,

b. which offers a high level of support, which approximates to the services or support which would be provided in a care home,

for residents for whom the only acceptable alternative would be a care home,

c. which is provided by a private RP under an agreement or arrangement with

   i. a Local Authority, or

   ii. the health service within the meaning of the National Health Service Act 2006(11)

d. in respect of which the rent charged or to be charged complies with the agreement or arrangement mentioned in paragraph (c), and

e. in respect of which either

   i. there was no public assistance, or

   ii. if there was public assistance, it was by means of a loan secured by means of a charge or a mortgage against a property;

Supported Housing is also defined in the same regulation as:

Supported housing means low-cost rental accommodation provided by a RP which

a. is made available only in conjunction with the supply of support,

b. is made available exclusively to residents who have been identified as needing support.

To meet this definition, the accommodation must be:

- Low cost
- Made available to clients that require specialised services to enable them to live, or adjust to living, independently in the community.
- Offers a high level of support which approximates to the level of support which would be provided in a care home, for who the only acceptable alternative would be a care home.
- Provided by an RP under agreement with BCC or the ICB
- Where BCC or the ICB agree the rent complies with any agreement
- There was no public assistance in establishing the scheme
- If there was public assistance it was by way of a loan secured by means of a charge or a mortgage against the property

6.3 Low cost rental definition

Low cost rental is specifically defined in the Housing and Regeneration Act 2008 Paragraph 69 (HRA2008) and states that accommodation is low cost if:

a. it is made available for rent,

b. the rent is below the market rate, and

c. the accommodation is made available in accordance with rules designed to ensure that it is made available to people whose needs are not adequately served by the commercial housing market.

In respect of clause (b), below market rate means below the rate that would be acceptable in the private rental market.

6.4 Clients require specialised services

This housing model is focused on adults that require specialised accommodation to live independently, and this means that they would not be able to reside in ordinary supported housing.

6.5 High level of support analogous to that provided in a care home.

The level of support in SSH is significantly higher than that in supported housing and is intended to meet social care demand for housing where support and housing requirements are not met in the existing markets, and to prevent the need for the client to live in institutional care. The amount of support required for SSH status is not defined in the legislation. Among RPs and LAs, a minimum of 14 hours' care and support per client per week, with an overnight carer present (which can be shared) is seen as the minimum required to ensure that this criterion is reasonably met. Many clients in SSH will receive significantly more care and support than this lower threshold.

6.6 Provided by an RP under an agreement with the LA or Integrated Care Board (ICB)

This criterion stipulates that the SSH must be asked for by the LA or ICB, so the provision, specification and oversight of the accommodation is led by the commissioner. Schemes that are led by an RP without direct involvement of a commissioning body are typically those that focused on the investment element rather than the provision of specialised housing.

BCC is leading on accommodation supply in its role as care and support commissioner; housing schemes that are not led and overseen by the council will not be supported SSH and are unlikely to see care services commissioned into the properties.

6.7 The rent charged complies with the agreement between the LA/ICB and the RP

This is an additional oversight clause that enables the LA to ensure that SSH status is not granted to RPs that deliver schemes with unreasonably high rents. There should be a strong correlation between the rent charged, and the actual cost of providing the accommodation. Loans and borrowing should be recovered over reasonable periods of time. Rents should not be inflated because the funding stream is housing benefit. Rents should be set at rates that would be considered reasonable on the open market and any enhanced rents should be reasonably justifiable.

6.8 Public Assistance definition

Public assistance is defined in the SHRR2016 and means social housing assistance or other public capital grant, subsidy or loan and includes any transfer of land for less than its unrestricted value.

Social housing assistance is defined in HRA2008 section 32 as financial assistance given under section 19 on condition that the recipient provides social housing, or social housing grant.

7. The policy

7.1 Our preferred model

The optimal housing model for ASC services is housing delivered by an RP landlord under the SSH Rent Standard exemption, with care services provided by a separately commissioned care provider. There is a distinct separation between care and housing, so should an issue develop with the care service, a new provider can be installed with no interruption to the continuity of housing. An appraisal of the other models considered is at Appendix 1.

The RP landlord is able to benefit from the SSH and specified managed categories than enable housing to be delivered on a full cost recovery basis. RP landlords are able to recover any eligible and reasonable cost associated with the delivery of the housing service, and are protected from changes to lease rents, interest rates and the economy.

Separation of care and housing makes it easier for care providers to focus on care, as this eliminates the practice of care providers subsidising housing funded Local Housing Allowance (LHA), which will always be insufficient to provide an effective housing service.

The housing benefit payments in respect of an RP and the SSH model are full subsidised by the government, making this accommodation deliverable at no cost to BCC.

Large, well-capitalised RP landlords are robust entities and regularly stress-tested, examined and regulated by the government via the Regulator of Social Housing.

7.2 Provider Led vs Commissioner Led Housing

Care provider-led housing

Typically, care providers approach RPs so that housing services can be provided that enable the care provider to deliver a commissioned service. While this model does mostly separate care and housing, it does not fully exclude the care provider from meeting some housing costs and does not enable to commissioning authority to benefit from full nomination rights.

It is in care providers interests to deliver care, and to do so they require housing services. As a care provider will typically be restricted to Local Housing Allowance (LHA) via Universal Credit (UC), the care provider will seek an RP that is able to deliver Specialised Supported Housing. Because this process is led by the care provider, the main contract is between the RP and the care provider, instead of between the RP and the LA.

The effect of this is significant for several reasons:

1. Void loss is met by the care provider. As this model is not a housing service commissioned by the local authority, the main contract is established between the care provider and the RP. The RP would like to be protected from excessive voids, so includes a clause that obligates the care provider to fund voids over a certain period of time. This is sub-optimal because should the care provider be required to cover a void period; they will do so using their care package funding and these funds are intended for the provision of care services.

2. The care provider will rush to find a new client to take the void unit. This may result in an inappropriate client being housed in the specialised service, simply to enable housing benefit income to recommence.

3. The LA has no nomination rights into the property though it is funding the care and support services.

4. The arrangements weaken the security of tenure for the service user.

Commissioner-led housing

The above problems are eliminated if the commissioning authority requests and contracts with the RP for specialised housing delivery:

1. Void loss is met by the LA in contract with the RP. The care provider is able to focus on delivery of care services with housing being entirely separate.

2. When a unit is void, there is no rush to fill the placement with a client. The LA is able to take time to seek an appropriate client to house in the specialised service. This also enables the LA to clearly understand void loss as these will be directly paid to the RP, as appropriate, rather than sub-funded through care packages.

3. Enables the LA to have full nomination rights into the specialised accommodation.

7.3 Separated care and housing

The SSH model allows commissioners to easily separate housing supply from care and support. It enables a specialist RP landlord to focus purely on the provision of the housing, and the care provider to focus purely on the provision of their contracted care services.

This arrangement is beneficial to the client, commissioner, and RP housing provider. For the client and commissioner, it enables choice in care provider on the basis of quality and price, with no party being tied to a care provider who also provides the accommodation. It enables the RP to focus on housing supply without the requirement to provide any care or support to the client, although the RP will need to have an understanding of the care needs so that this informs the development of the accommodation.

As the care provider and housing provider are not the same organisation, it incentivises the care provider to deliver an excellent service, because due to the clear separation, an underperforming care provider can be replaced, if required.

Further to separating care from housing, it is also beneficial to ensure that commissioners lead on the development of new housing services with eligible landlords.

7.4 Compliance with the Rent Standard and Housing Benefit regulations

Because BCC is commissioning the care and support and nominating clients that enable the SSH exemption from the Rent Standard, it is ultimately BCC's responsibility to ensure that schemes it commissions or endorses are regulatorily compliant. This housing policy sets out the criteria that need to be met to enable endorsement of housing delivery and commissioning of associated care and support services. BCC will not support or commission care into a housing service that does not meet with the criteria set out in the following policy.

8. Specified exempt and specified managed definitions

Specified Accommodation is a term introduced to retain certain cases in housing benefit, rather than Universal Credit. Where a case meets either Specified definition, the housing costs are met by housing benefit. There are two key categories of specified accommodation, exempt and managed properties.

8.1 Specified exempt accommodation

In 1996, housing benefit regulations were preserved to introduce a category of supported housing known as exempt accommodation, to allow housing benefit to continue to cover the additional costs associated with providing such housing. In terms of rent and service charge levels, exempt means that this type of accommodation is not subject to the rules that would otherwise restrict the maximum rent to a level determined by a rent officer or the LHA.

Exempt accommodation is defined (abridged) as accommodation provided by entities such as non-metropolitan (upper tier) county councils (in England only), housing associations, registered charities, or voluntary organizations. These entities, or a person acting on their behalf, must also provide the claimant with care, support, or supervision. Care, support, or supervision are not defined, but it must exceed a minimal level.

The Supported Housing (Regulatory Oversight) Act 2023 will apply to supported exempt accommodation and may result in the introduction of national supported housing standards and licensing requirements.

However, in a social care setting, we typically do not commission a specified exempt accommodation model. This is because, when effectively commissioned, there is no requirement for the landlord to provide care, support or supervision. Instead, we separately commission care services from a third-party organisation and the landlord solely provides the accommodation service.

The only scenario which may necessitate a status of Specified Exempt in a social care setting is when the accommodation is provided by a non-RP charitable or not-for-profit landlord. This is because Specified Managed status automatically would restrict that landlord to the LHA. However, there are additional housing benefit subsidy implications that may preclude BCC from commissioning a non-RP landlord.

8.2 Specified Managed Properties

Bristol is developing its social care accommodation through RPs as specified managed properties.

Specified managed properties are properties provided by an eligible landlord type, where that landlord provides the accommodation only and care is separately commissioned.

There is no requirement for an RP to deliver its housing as specified exempt accommodation. This is because the landlord function is purely to provide the accommodation, and with care and support separately commissioned into the property. The RP status of landlord enables a rent above formula or Rent Standard rents to be paid. This enables a higher rent to be charged without requiring exempt accommodation status.

9. Preferred landlord model

A number of distinct types of provider landlord can technically provide supported housing, but for reasons set out in Appendix 2, private not-for-profit Registered Providers (RPs) regulated by the Regulator of Social Housing are the clear optimal option for social care housing delivery.

RPs are the government's own regulated housing landlords. All welfare and housing benefit legislation is written to favour provision of supported accommodation via RPs. Subject to conditions, RPs can set rents and service charges that exceed formula rent and LHA, and because the government regulates RPs, the full eligible rent and service charge is covered by housing benefit subsidy payments.

BCC welcomes accommodation delivered by compliant not-for-profit RPs graded G1, V1. Accommodation proposed by RPs with non-compliant grades (G3, G4, V3, V4) may be rejected.

BCC will examine the regulatory judgement for any applications made by G2/V2 RPs prior to any commissioning decision. Where a prospective RP has under 1000 units and is ungraded, BCC will take such steps as required to confirm governance and viability suitability for this framework.

10. The housing commissioning process

The following process is for illustrative purposes only.

BCC commissioners hold the complete data on individual, cohort and service care and support needs, and fund all relevant care and support packages. As such, BCC is the best placed organisation to lead on housing need, location, and specification. BCC also works closely with its ICB and neighbouring LAs on accommodation supply and cross-boundary projects. The authority has developed and maintains a Supported Housing Delivery Plan which details current demands and specifications.

Any accommodation delivered by a partner RP specifically to meet care, support and housing needs must be led and overseen by the LA. This oversight is crucial as the relevant legislation demands local oversight, and commissioners must ensure that all accommodation delivered is compliant, fit for purpose and at a rent which will reasonably be met by housing benefit.

To achieve this, commissioners work collaboratively with RPs, housing benefit policy officers and other stakeholders to agree key terms prior to acquisition, planning permission, refurbishment or building a property. Via stakeholder co-production, we work on the basis that nothing is agreed until everything is agreed, and this process gives all parties the assurance and certainty they need to fully enter into housing delivery project. This process can be outlined approximately as follows:

1. Commissioners identify the specific housing demand of a client or cohort and develop a detailed property specification.

2. Commissioners may search for an appropriate property or land to meet the identified housing need.

3. Commissioners approach an RP with an outline proposal for the housing project.

4. The RP, commissioners and enablers collaborate to identify a property for acquisition and renovation, or a suitable site for new construction.

5. After reaching an agreement, the proposal is endorsed by the commissioners, and the RP develops an indicative rent schedule for scrutiny by the housing benefit department. This schedule is based on the best available information at that time.

6. The housing benefit department review and evaluate the proposed rent. The housing benefit works with the RP to resolve any issues in a timely manner. Once accepted, housing benefit issue an in-principal decision to proceed with the project. Further details about this process are provided below.

7. Upon receiving the in-principal agreement, the project can advance to the next stage.

8. Commissioners and enablers work closely with the RP, architects, and other stakeholders to develop a comprehensive plan for property acquisition, planning, renovation or construction.

9. BCC provides support to the RP throughout the property delivery process.

By following this commissioning process, we can ensure that once a scheme is given the green light, housing benefit claims will be processed upon receipt, once the property is renovated and tenanted. This assurance is beneficial to all parties, who can then focus on accommodation delivery and care commissioning.

10.1 Procurement status of housing delivered to the framework.

BCC is procuring the care and support service through the ASC Single Framework, while the housing delivery is not directly procured. The single framework is a simplified way for the council to procure care and support services. The delivery of housing by a partner RP or not-for-profit organisation is exempt from the Public Contracts Regulations 2015 under regulation 10.

RPs are invited to deliver accommodation to service users as part of their day-to-day business of social housing delivery. BCC will enter into contractual arrangements with the RP in respect of voids and service user nominations which have been designed to protect the RP from void periods while maximising the supply of supported housing.

11. Overview of housing delivery models - acquisition, renovation, build and leasing

11.1

The SSH model allows RPs to acquire properties for delivery by a wide variety of different methods. Specific elements required for individual cohorts are detailed in the Supported Housing Delivery Plan.

11.2 Acquisition and renovation

Where an RP acquires a property on the open market and renovates it to the required standard for the target client group. The RP funds acquisition and renovation to an agreed specification via private finance and recovers the costs through housing benefit.

11.3 Acquisition and delivery

Known as existing satisfactory, the RP acquires a property to an agreed specification and delivers it as supported housing after minimal renovations. The RP acquires the property and recovers the cost through housing benefit.

11.4 New build

The RP acquires land, designs and builds housing to an agreed specification. The land acquisition and build costs are recovered through housing benefit.

11.5 Lease and renovation

The RP enters into a lease agreement for a property with a superior landlord and renovates the property to an agreed specification for delivery as supported housing. The lease costs and renovation costs are recovered through housing benefit. For this model, the lease term would need to be significant to justify the use of public funds in respect of the renovations. We would not support a short-term lease if expensive or significant renovations were required. Each case would be considered on its own merits.

11.6 Lease and delivery

Known as existing satisfactory, the RP leases a property to an agreed specification and delivers it as supported housing after minimal renovations. The RP recovers the lease cost through housing benefit.

12. Space and property standards

12.1

Bristol requires accommodation that meets or exceeds the Nationally Described Space Standard (NDSS). Where accommodation sizes are not defined in the NDSS, for example studios or shared housing, minimum size requirements will be agreed with commissioners.

BCC encourages incorporation of fully wheelchair accessible accommodation to M4/(3) standards where possible, as this future proofs the accommodation's suitability for a wider variety of service users, while enabling service users to remain in their property should their ambulatory requirements change. For new build properties, if possible, M4(3) should be delivered as standard. This is on the basis that we are delivering homes for life, and an individual's ability may reduce over time.

12.2

BCC's commissioners will retain full oversight of accommodation delivered to meet social care requirements, and we require property to be developed to a high standard to ensure it meets the needs of complex clients, while future proofing enabling property to be allocated to as wide a range of clients as possible. Under the SSH model, it is worthwhile over specifying accommodation standards to ensure suitability and robustness, minimising the requirement for repairs and maintenance, which can be intrusive for clients with a learning disability or autism.

13. Multi-Disciplinary Team (MDT)

For bespoke property services being designed around a specific client's requirements, the Council will work with a MDT to develop the precise specification, layout and design of the specialised supported housing. This MDT may include the client's existing ward staff, care staff, Occupational Therapists, Psychiatry, Social Workers, specialist architects and commissioners.

This team of experts will ensure that the property is developed to the exacting requirements necessitated by the client's behavioural characteristics. This way of working is crucial to ensure that the redevelopment or build does not require significant amendment once the client has assumed occupation.

14. Development area - within BCC's boundary

As default, BCC will focus on development in its area. This is because the council has oversight of its client group, the cohort requirements and all stakeholders required to deliver supported housing such as Planning and Housing Benefit.

Within our home authority, we are able to easily collaborate with internal stakeholders under one overarching management structure. We are able to use sites in Bristol to meet the city's strategic needs without the requirement for cooperation with any other statutory authority. Developments within Bristol which meet the requirements of commissioners and our social care cohorts are highly likely to be supported if delivered to the policy aims and objectives of this document; that support for the detailed proposal is provided by commissioners, housing benefit and other local stakeholders.

15. Development area - outside of BCC's boundary

Opportunities outside of Bristol may present which will meet specialised housing needs, especially where land is required given land is at a premium in the BCC area. Where we commission accommodation outside of our LA area, this must be done with full cooperation and collaboration of the host LA.

Should land or a building for renovation be identified outside of the BCC boundary, commissioning the accommodation will require replicating the procedure defined in this document, including the host authorities social care commissioners, housing benefit service, and planning officers.

Of particular importance will be full engagement and cooperation with commissioners and housing benefit. Bristol's commissioners will provide advice and guidance on any proposed cross local authority boundary supported housing schemes.

15.1 Host authority Adult Social Care commissioners

The LAs in the local ICB footprint, Bristol, South Gloucestershire and North Somerset, (BNSSG) are committed to working together to alleviate health and social care issues, including housing. Social Care Commissioners must be consulted on social care services proposed in the host authority. For a bespoke single client scheme, this consultation may be for information only, but where a scheme is to deliver several units of accommodation, a cross-authority commissioning and nominations process may engender closer collaboration and the delivery of additional co-commissioned housing services.

The BNSSG LAs are developing a cross-authority nominations process and memorandum of understanding for voids as part of an NHSE grant funded scheme comprising of six flats with staff for clients with complex needs. The development of this bilateral agreement will enable cross authority commissioning to be undertaken within the BNSSG host authorities, more easily through established precedent. The key driver in the agreement is fairness and ensuring that the host authority and the commissioning authority have fair and reasonable access to the accommodation, and at no unreasonable costs to the host authority.

15.2 Host authority Housing Benefit service

Housing benefit is a statutory service, and each authority is mandated to decide on housing benefit claims made in their local area – decision making is not discretionary. Typically housing costs are paid at standard rates e.g. Local Housing Allowance (LHA). SSH benefit claims are technically uncapped in rent level and are subject to rules around the level of rent and service charge. Each LA is responsible for administering its own housing benefit scheme, so while Bristol has a level of corporate oversight and collaboration with its own housing benefit service, the same may not apply to neighbouring authorities.

This document clearly sets out how Bristol will commission and decide on new SSH schemes and expect that neighbouring authorities will be supportive of its approach, which has been designed to be high quality and legislatively compliant. We expect that neighbouring authorities housing benefit officers will support commissioned transparent and reasonable rents and service charges, but we must seek their officers' approval prior to commissioning any scheme in a host authority.

15.3 Host authority Strategy and Enabling team.

Each potential host authority has a team of enablers who assist RPs in development of housing. RPs or landlord working on Bristol commissioned schemes in host authorities will benefit from collaboration with the hosts enabling team to ensure that developments comply with local policy and procedures.

16. Voids and Nominations Contract in Specialised Supported Housing

Bristol has developed a contract between the LA and RP in collaboration with an RP that seeks to protect RPs from risk associated with this type of development. Amongst standard terms, the contract details arrangements balance risk in terms of void loss, damage and nominations. We have developed this contract to minimise the risk that any partner RP is exposed to when delivering specialised services on behalf of Bristol City Council.

16.1 Overview of voids

Voids in supported housing can be addressed in a number of different ways and Bristol suggests an approach is developed consistent with the characteristics of the service user(s) and the scheme. The industry standard is to apply a 5-10 per cent void element to a rent and service charge to cover voids caused by churn within an accommodation service. This works well where the landlord has a large number of properties and they are able to determine that the average void rate is around this level. Other methods may better suit standalone, bespoke specialised schemes.

We do not support schemes where the care provider holds responsibility for voids. We are commissioning in a manner that separates care from housing entirely, so that the care provider retains its income for the provision of care services. It is preferable for the Council to fund excessive voids to avoid inappropriate nominations.

16.2 Housing Benefit and temporary absence

Where a client claims housing benefit, once in payment, housing benefit is able to continue for up to 52 weeks while the claimant is in hospital and intends to return to the property. So the void element is typically not required to fund periods while the service user is receiving medically approved care and intends to return.

For example, a client in receipt of housing benefit is admitted to hospital after a cardiac arrest on 1st July 2023. They recover in hospital and intend to return to the dwelling. They finally return on 23rd January, almost six months later. Housing benefit continues to fund their rent while recovering.

In the same example as above, the service user intends to return to the property but on the 10th September 2023 it becomes clear that they won't, as require a different accommodation. At that point, housing benefit would no longer be payable, and the property would become void.

16.3 Managing voids for complex service users

Where a client occupies specialised housing in an ASC context, the accommodation will often be considered a home for life. Housing benefit will fund their housing costs while in occupation, and while eligible under temporary absence rules. As such, a void allowance is only required for unexpected absence not covered by the temporary absence rules, or a situation where the client absconds or dies. ASC commissioning managers in collaboration with social workers will plan for move on and void periods, so a void allowance is only required for periods of unexpected voids which commissioners will endeavour to manage within the commissioning process.

16.4 Bespoke housing for complex service users

Specialised schemes developed for complex service users will typically have a higher rent, and little or no predictable or expected property churn. Therefore, if a rent and service charge is £1000 per week, and 10 per cent for voids is charged and the tenant lives in the property for 30 years, £156,000 will be raised to cover voids and none of this money may ever be required. It may transpire that the tenant vacates in a planned manner and their accommodation is reoccupied a few weeks later by a new tenant.

16.5 Pooled budget fund – voids and unexpected damage

For bespoke single occupancy schemes, Bristol suggests utilisation of a flexible pooled budget fund, as an alternative to a standardised void rate.

Bristol is commissioning SSH on a full cost recovery basis, so we are seeking to ensure that the RP is protected and does not lose out via unintended consequence through rent and service charge revenues. Within the rent setting process RPs have flexibility to vary the rent and service charge year by year to reflect inflation and any other variable property delivery costs.

The pooled budget fund works by ASC cooperating with the RP landlord on void loss, and by funding initially via a voids allowance, and via ASC once that void allowance is exhausted. At the start of tenancy, a voids allowance is included to raise a pooled budget fund for use in respect of voids, and unexpected damage to the property. This budget fund will be accumulated at the rate of 12.6 per cent until a fund has accumulated equivalent to six weeks rent and service charge. For example, at a rent of £1000 per week, 6 weeks' rent is £6,000. At £126 per week, it takes 60 weeks to collect the £6,000 in the pooled budget fund.

At that point, the pooled budget fund element is removed from the rent and service charge at the annual rent at the annual rent and service charge variation and the RP retains the banked pooled budget fund for voids and unexpected damage. Where a void period occurs which cannot be covered by housing benefit, the RP landlord covers the void period using the pooled budget fund. Once the pooled budget fund is exhausted, the void period is covered by ASC until such a point that the property is occupied by a new tenant in receipt of housing benefit.

Where unexpected damaged occurs, the RP landlord is able to draw on the pooled budget fund to enact the repairs and reintroduce the rent and service charge element to rebuild the budget fund to its six-week rent level.

This pooled budget approach was co-developed between BCC and a local RP to address the issue of voids and damage, while seeking to fully protect the RP from any potential revenue losses thorough void periods or excessive damage at the rented property.

17. Nominations

ASC in Bristol will make all nominations into commissioned services. We will work with RPs utilising bespoke contracts detailing the nominations process. In order to make appropriate nominations, our housing contract stipulates that Bristol will fund void periods while awaiting a suitable tenant avoiding the pressure to make an unsuitable nomination.

18. Housing Benefit process

18.1

Typically, housing benefit will fund the accommodation housing costs utilising the SSH Rent Standard Exemption. Accommodation is being commissioned and delivered on a specified managed basis, so Specified Exempt Accommodation status is not required. Any exceptions to this policy will be considered on a case-by-case basis.

18.2 Housing benefit staff will agree reasonable and eligible rent and service charge elements.

Housing benefit approval of proposed rents and service charges will be on an open book basis, where the indicative costs of the scheme are expressed with a clear methodology which justifies the proposed rent level. It is acknowledged that delivering high quality SSH without grant funding or discounted land on a full cost recovery basis will result in a higher rent, and higher rents are acceptable where the reasoning underpinning the higher rent is clear.

18.3

For example and as a guiding principle, where an RP acquires property at its open market and unrestricted value, includes a reasonable yield, and renovates that property to commissioners' specification, a higher rent will be chargeable.

Example – bespoke renovated bungalow for very complex client

Cost element	Cost incurred
Property purchased on open market	£460,000
Renovation costs	£300,000
Legal and project costs	£90,000
Total RP investment	£850,000

Borrowing at 4 per cent interest over 37 years equals £44,052 chargeable per annum in respect of borrowing, or £844 per week core rent. While £844 is a higher than usual weekly rent, it is clearly justifiable and will be agreed in principle by housing benefit, enabling the scheme to progress.

18.4

Commissioners and housing benefit will not support unreasonably short loan repayment periods, the SSH funding model should not be used to discharge borrowing faster, or at higher yields that could reasonably be obtained on the open market, without access to unrestricted housing benefit.

Advice on rent and service charge setting is available throughout the process from commissioners, or by emailing benefits.policy@bristol.gov.uk including the subject line SSH rent and service charge setting advice.

19. Rent and service charges

SSH does not have a rent limit or ceiling. The SSH rent standard exemption is in acknowledgement of the fact that providing highly specialised, bespoke housing services costs more money than general needs housing. Additionally, because there is no public assistance by way of social housing grant, the rents charged in SSH are unsubsidised, or full cost recovery rents. As such, they may appear to be higher than social rents, but in reality were social rents to not receive grant funding they themselves would be significantly higher.

Housing benefit rules do not formally link with the SSH rent standard exemption. The housing benefit rent decision is context driven and contains its own safeguards to prevent exploitation.

19.1 Service charges

The Department for Work and Pensions published guidance on supported housing and housing benefit, which serves as a useful reference point on service charges and eligibility.

Service charges are not regulated using the same governance as for rents, although the RSH issues the following guidance in its Policy statement on rents:

2.34 In addition to their rent, tenants may also pay service charges. Rents are generally taken to include all charges associated with the occupation of a property, such as maintenance and general housing management services. Service charges usually reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities rather than being particular to the occupation of a dwelling. Service charges are subject to separate legal requirements and are limited to covering the cost of providing the services.

2.35 RPs are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. Tenants should be supplied with clear information on how service charges are set. In the case of social rent properties, providers are expected to identify service charges separately from the rent charge.

2.36 Service charges are not governed by the same factors as rent. However, registered providers should endeavour to keep increases for service charges within the limit on rent changes, of CPI + 1 percentage point, to help keep charges affordable.

2.37 Where new or extended services are introduced, and an additional charge may need to be made, RPs should consult with tenants.

19.2 What is a service charge?

Service charges are defined in legislation **as:**

"Service charges means periodical payments for services, whether or not under the same agreement as that under which the dwelling is occupied, or whether or not such a charge is specified as separate from or separately identified within other payments made by the occupier in respect of the dwelling; and

Services means services performed or facilities (including the use of furniture) provided for, or rights made available to, the occupier of a dwelling."

BCC makes its determinations on service charge eligibility using The Housing Benefit Regulations 2006 Schedule 1, Paragraph 1 and The Housing Benefit and Council Tax Benefit (Consequential Provisions) Regulations 2006 Schedule 3, Paragraph 5 Regulation 12

Service charges that are not eligible for funding via housing benefit are defined at Schedule 1 to the Housing Benefit Regulations 2006.

This schedule and regulation lists items that are not eligible for housing benefit :

- An amount for personal water, sewerage and fuel
- Meals
- Provision of food
- Laundry, other than the provision of premises to enable a person to do their own
- Leisure items such as sports facilities, televisions, subscriptions and internet
- Cleaning of rooms and windows except communal areas
- Provision of transport
- Charges for the acquisition of furniture or household equipment, and the use of that furniture where it will become the property of the tenant by virtue of an agreement with the landlord
- Charges for an emergency alarm system
- Charges in respect of medical expenses
- Charges for the provision of nursing or personal care
- Charges for counselling or any other support service
- Charges in respect of any service not identified which are not connected with the provision of adequate accommodation.

Service charges that are eligible for housing benefit should closely correlate to the cost of providing services to tenants. Service charges that appear excessive, may be restricted with reference to comparable services.

19.3 Intensive Housing Management charge (IHM)

There is no requirement for an RP to include an Intensive Housing Management charge in its rent; the costs incurred in delivering housing management services can simply be termed housing management. As services are being commissioned as Specified Managed accommodation, there is no requirement for the RP landlord to seek Specified Exempt accommodation status, which is typically why the device of IHM is used.

It may be the case that the landlord undertakes housing management that is more intensive than general needs housing, but under this Specified Managed commissioning framework, there is no requirement for the service to be termed Intensive Housing Management.

19.4 Rent and service charge increases

In the social rented sector, rents and service charges are subject to standardised change thresholds, i.e. CPI+1 per cent. However, it is acknowledged that there are occasions where a rent or service charge increase may be required beyond these standard thresholds, or there may be a requirement to introduce a new service charge element.

i. **Rent and service charge – overall low increase.**
Where a provider submits a rent and service charge that has increased at CPI+ 1 per cent as per the rent policy guidance, it is unlikely that the rent and service charge will be examined in detail.

ii. **Service charge increases low but some outliers, or unusual increases.**
If the majority of the service charges are as per (1), but there are one or more categories that have increased above the acceptable rate, these increases will likely be examined. BCC requests that any elements that have increased beyond the CPI inflationary increase are presented with an explanation or narrative up front. BCC accepts that costs rise and allowing CPI+1 per cent means that rents and service charges claimed will keep up with inflation.

The majority of tenants in supported accommodation will fund their rent liability by housing benefit, therefore might be less inclined to challenge variations to their service charge. However, a useful rule-of-thumb is to ask yourself a rhetorical question: if I lived there and was self-funding my rent, would I accept this variation?

iii. **Re-basing of service charges**
On occasion, an RP may choose to re-base its service charges if there is a concern that it is not recovering its housing related service costs appropriately. If such an exercise is planned, we ask that the provider engages with the housing benefit policy team, at the earliest possible opportunity. The council will want to examine how the re-basing has been calculated and will require access to information and evidence underpinning the proposed determination.

iv. **Introduction of a new service charge**
Where a new service charge is required for delivery of adequate accommodation, the provider should engage with the housing benefit policy team as soon as possible to enable provision of the required information and evidence so that a decision can be made on its eligibility.

19.5. Clarification on service charge eligibility

The housing benefit policy team is often asked to produce a definitive document on service charge eligibility. However, this is not possible as each charge is unique and is considered on its own merits. The council recommends referring to the legislation and case law, as well as the National Housing Federation's 'Service Charges: a guide for housing associations' and the DWP's Supported Housing Guidance Manual.

19.6 Unreasonably high rents

Through the commissioning process, we will not commission or endorse a scheme where the rent is considered to be unreasonably high, as this will by default fail a key housing benefit safeguard. Any proposal with a rent considered to be unreasonably high will be rejected at the early commissioning stage and will not be supported by commissioners, or housing benefit policy officers.

20. Benefit cap

20.1

Working age claimants in receipt of HB and living in specified accommodation do not have their weekly housing benefit award included in the calculation of the benefit cap. Additionally, clients living in specialised supported housing will be exempt from the benefit cap through receipt of disability benefits and having limited capability for work.

21. Social Sector Size Criteria

Working age claimants are subject to the Social Sector Size Criteria while residing in RP provided accommodation where they have more bedrooms than required by law unless the accommodation is Specified Exempt accommodation.

While specified-managed properties as commissioned under this housing policy are subject to the Social Sector Size Criteria, we are commissioning accommodation to meet a defined need for highly specific cohorts. Accommodation will not be allocated to a client that comprises of more bedrooms than legally required. Where a client is allocated with a two-bedroom property, the additional room will be exempt from the size criteria by virtue of the provision of overnight care.

22. Subcontracting

Where an award to deliver care and support services is made, the service is commissioned according to the principles set out in this policy document. There will be a clear commissioning intention with relation to the services delivered by a care provider and the landlord organisation providing the accommodation. When a provider is contracted to provide care, it is crucial that the care is delivered according to the delivery model agreed at the point of commissioning.

Subcontracting clauses within the framework are intended to enable subcontracting in certain specifically defined circumstances. When a provider is contracted to provide care services that it has tendered to provide, that provider must provide those care services as tendered, unless explicit written derogation is received from commissioners on a clear subcontracting arrangement.

23. Equality & inclusion statement

As a public body, we are bound by the Public Sector Equality Duty and all officers involved in implementing and delivering this policy must ensure we meet our statutory obligations under this duty, which is defined within the Equality Act as:

"A public authority must, in the exercise of its functions, have due regard to the need to—

a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

Our Equality & Inclusion Strategic Framework 2023-2027 continues to set our vision; to create a fairer, safer, accessible, and inclusive city where everyone feels that they belong, that they have a voice, and have an equal opportunity to succeed and thrive. Objective E03 is "equitable, inclusive and quality services that promote wellbeing." This objective is relevant to this policy because it is about the council's role as a deliverer and commissioner of services.

24. Monitoring & evaluation

The impact of this document will be reported to the Adult Social Care senior leadership team and to the ASC Transformation Board. Regular updates will consider the financial sustainability of schemes commissioned, the number of properties delivered and the number of people whose needs have been met through this policy.

25. Related policies and legislation

Council policies:

- Project 1000; Affordable Housing Delivery Plan 2022-2025
- Supported Housing Delivery Plan
- Equality & Inclusion Strategic Framework 2023-2027

Legislation:

- The Housing and Regeneration Act 2008
- Mental Health Act 1983 (legislation.gov.uk)
- Care Act 2014 (legislation.gov.uk)
- National Health Service Act 2006 (legislation.gov.uk)
- The Public Contracts Regulations 2015 (legislation.gov.uk)
- The Housing Benefit Regulations 2006 (legislation.gov.uk)
- The Housing Benefit and Council Tax Benefit (Consequential Provisions) Regulations 2006 (legislation.gov.uk)
- Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016.

Government Guidance:

- Housing Benefit guidance for supported housing claims - GOV.UK (www.gov.uk)

Appendix 1 Options appraisal of housing & support models

Sub-optimal housing models

1. Not for profit (non-RP) as specified managed funded by LHA and care provided by third party.

A not-for-profit landlord can generally deliver specified managed accommodation, but if the landlord is providing housing only, this will not be classed as exempt accommodation, and the maximum rent payable by housing benefit will be the applicable LHA rate.

Rents recovered through LHA are fully subsidised by Universal Credit, and the third party commissioned to provide care does enable for the care and housing to be separated. The key issue with this model is the LHA rate has not kept pace with market rents – in Bristol summer 2023, LHA is only sufficient to rent the cheapest 5 per cent of properties. We are looking to avoid commissioning services that rely on LHA, as this funding stream is rigid, and unlikely to keep pace with rent inflation. Anything that threatens the client's security of tenure or quality of accommodation will be avoided.

2. Not for profit (non-RP) as specified exempt funded by exempt rents and care provided by the landlord.

A not-for-profit landlord can deliver specified exempt accommodation if providing the housing commissioned to provide the care to the clients. Under this arrangement, the not-for-profit landlord can charge an exempt rent on a full cost recovery basis, in the same way as the RP under the SSH Rent Standard exemption. However, because the not-for-profit landlord is not regulated by the RSH, the government subject the rents to an assessment by the Rent Officer.

The subsidy is limited to the Rent Officer's decision, which is described in more detail below. While this model enables the landlord to charge a rent that covers the cost of providing specialised accommodation, a significant proportion of the costs will not be met by housing benefit and must instead be met by social care. Additionally, the care service and housing service is not separated, meaning ASC is tied to a housing and care provider leading to potentially less competitive commissioning rates and the inability to switch care provider should a problem develop.

3. Not for profit (non-RP) as specified exempt funded by exempt rents and care provided by a third party.

This model is the same as (2) but with the care provided by a third party. This is preferable, as separates housing and care, enabling the resultant benefits to be achieved, but at a cost to the council in terms of housing benefit subsidy. It also requires the not-for-profit RP to deliver some care and support to be able to be treated as specified exempt accommodation, which is difficult to achieve, if not contrived. This is because the landlord in the most appropriate housing models provides only the housing and the care provider provides the care package. For the landlord to be treated as providing care or support, social care commissioners would have to have the landlord carry out duties significantly beyond an ordinary landlord function, which may create an additional layer of complexity in order to achieve this aim.

4. For-profit landlord providing care and support

This model has been widely used within the social care sector over the past 30 years. Until 2008 when LHA was introduced, housing benefit was significantly more generous for private sector landlords. The Rent Officer would value each property where housing benefit was claimed, and made a determination based on up-to-date rental market data for the locality which was set at the 50th percentile excluding the exceptionally low and exceptionally high rents, including rents where housing benefit was being claimed.

As the rent officer always used up to date data and updated their decision every 52 weeks, approximately 50 per cent of private rentals in the city would be affordable by housing benefit. Today, LHA was initially set at the 30th percentile, and is rarely uprated, to the extent that it is now at the 5th percentile.

Under this model, the private landlord and care provider are limited to the LHA rate, which will typically be insufficient to deliver high quality housing. Joint private landlord and care companies will use the care package cost to subside the housing element, which presents poor value for money for ASC and difficulty determining the actual cost of the care package.

While this model was sustainable for many years, since the introduction of LHA which is inflexible and rarely uprated, the model is no longer fit for purpose, sustainable, does not enable separation of care and housing and does not enable security of tenure for the client.

5. For-profit landlord with third party providing care and support

Similar to the above model, but with a third party providing the support instead of the private landlord, this model has the benefit of separating the care and housing function but is unlikely to work well due to the LHA being at the 5th percentile.

These models are summarised in the below table:

Landlord type	Care provider	Care/housing separated?	Housing costs	Full cost recovery?	Subsidy rate
RP	3rd party	Y	Housing benefit	Yes	100%
Not-for-profit	Landlord	N	Housing benefit	Yes	Partial
Not-for-profit	3rd party	Y	Housing benefit	LHA	LHA
Profit-making	Landlord	N	Universal Credit	LHA	LHA
Profit-making	3rd party	Y	Universal Credit	LHA	LHA

Appendix 2 Supported Housing – landlord type descriptions

A number of distinct types of provider landlord can technically provide supported housing, but for reasons set out below, private not-for-profit RPs regulated by the Regulator of Social Housing are the clear optimal option for social care housing delivery.

Accommodation provided by a not-for-profit Registered Provider

RPs are the government's own regulated housing landlords. All welfare and housing benefit legislation is written to favour provision of supported accommodation via RPs. Subject to conditions, RPs can set rents and service charges that exceed formula rent and LHA, and because the government regulates RPs, the full eligible rent and service charge is covered by housing benefit subsidy payments.

Accommodation provided by a for profit RP landlord

A small number of profit-making RP landlords are registered with the Regulator of Social Housing. While these organisations are technically RPs, they cannot provide specified accommodation, which is a crucial criterion of Specialised Supported Housing delivery. To meet the definition of specified managed, the RP landlord must meet the statutory definition of a housing association This definition states that the association must operate on a not-for-profit basis, so excludes profit making RPs from the delivery of specified accommodation.

Accommodation is provided by a not-for-profit, non-RP landlord

Not-for-profit landlords which are not RPs with the Regulator of Social Housing are also able to provide supported housing. While higher rents can be achieved by RPs under Specified Exempt or Managed, the not-for-profit sector can only achieve higher rents by the Specified Exempt route, which means that the landlord must provide the client with some care, support or supervision.

If commissioned on a specified managed basis, the not-for-profit landlord's tenant will be able to claim housing benefit, but this will be capped at the applicable LHA rate, which is unlikely to be sustainable for the provision of high quality and long term supported accommodation.

If commissioned on a Specified Exempt basis, the accommodation will be subject to housing benefit subsidy loss because the non-RP sector does not receive 100 per cent housing benefit subsidy but is instead subject to a claim-specific subsidy calculation.

To achieve Specified Exempt status may require dual commissioning, because BCC may have to commission a care service via a third-party provider and a support service via the not-for-profit landlord, the latter enabling the exempt accommodation status.

BCC is disincentivised from this model due to its complexity, its additional costs in terms of commissioning and its additional costs in terms of housing benefit subsidy loss.

The framework focuses on delivery through RP landlords, but is also open to charitable, not-for-profit and voluntary organisations by application and exception. Non-RP landlords are not fully subsidised in respect of the housing benefit claims, so supported housing commissioned through a non-RP comes at an additional cost burden to the council via housing benefit subsidy. However, there will be occasions whereby a non-RP landlord may be able to provide accommodation with a type of support provided for which there is a particular need and therefore the offering may outweigh the cost burden issue. Such situations will be considered on a case-by-case basis and by reference to the demand for those support needs. If the overall cost to the council of combined commissioning and subsidy loss represents poor value for money, the service will not be procured.

Accommodation provided by a for profit non-RP landlord

For-profit landlords are able to provide housing, including supported housing, but this is not a delivery model supported by the council for specialised accommodation services. There may be exceptions, but typically the model is not sustainable for these ASC cohorts.

Profit-making landlords cannot claim either specified exempt or specified managed status, which means that any claims for assistance with housing costs must be made to the Department for Work and Pensions via Universal Credit, and the level of assistance will be limited to the applicable LHA rate. As of 2023, the LHA rate in Bristol is insufficient to enable a client to rent 5 per cent of properties on Zoopla[2], representing the 5th percentile of all rents. The LHA was introduced in 2008 and pitched at the 30th percentile, but central government increases to this rent have not kept pace with rental cost inflation. LHA is ridged and its increases are unpredictable. There is now a large gap between what LHA pays and rents in the city.

Because of these very low rates of LHA, coupled with the fact that delivering supported housing costs more than general needs housing means that LHA is not a suitable funding mechanism for social care clients. Commissioning private providers to deliver supported living in properties funded by LHA is not sustainable, and risks care commissioning funds being used to top up or subsidise the rents payable to the landlord.

While there is a sustainable and bespoke solution to housing costs through the RP and SSH model, and while LHA rates are so severely disconnected from private rental costs, the council will not seek to place or commission care and support services into placements where the housing costs are funded at LHA rates.

There has always been an affordability gap between private sector rents and LHA, and this gap has significantly widened over the last three years with the LHA freeze. There is little certainty as to when LHA will be uplifted and the level of uplift that is expected.

Real Estate Investment Trusts (REITs)

The lease-based housing delivery model has come under scrutiny with an addendum to the Regulator of Social Housing's 2018 Sector Risk Profile. This model carries inherent risks and demands financial sustainability and viability from RPs. While BCC is open to collaborating with RPs to expand the framework, it is unlikely that the REIT delivery model will meet the criteria for SSH or qualify as low cost social housing.

Even if a REIT provider aligns with the council's policies on commissioning, rent, and service charges, the risk of organization-wide failure remains a concern. Bristol is committed to avoiding any accommodation services that could be at risk of governance or financial viability issues. Therefore, opportunities proposed by REIT RPs are likely to be declined to ensure the safety and stability of housing delivery within the city.

2: Housing benefits have been frozen while rents have sky-rocketed. Only 1 in 20 private rental properties on Zoopla can be covered by housing benefit | Institute for Fiscal Studies (ifs.org.uk)

Appendix 3 Housing Benefit subsidy arrangements

When commissioning care and support services with accommodation, an important consideration is to optimise the amount of housing benefit subsidy received in respect of service users' housing benefit claims. To achieve this, the most effective approach is through a RP, which allows for 100 per cent subsidy recovery and the possibility of an increased rate of housing benefit that is reflective of the costs incurred to provide the accommodation. On the other hand, subsidy availability for the not-for-profit non-RP sector is variable and can lead to additional costs for the council.

The Rent Officer and not-for-profit landlords

RP landlords' rents are fully subsidised by housing benefit and central government because RPs are the government's own in-house landlord type and regulated by the Regulator of Social Housing. As such, because the government regulates RPs, it automatically considers rents charged to be reasonable and therefore fully subsidised.

Because not-for-profit, voluntary organisations and charities are not regulated by the government as landlords, the government will say it does not know if the rent charged by the not-for-profit landlord is reasonable, and so outsources the valuation of the rent to the Rent Officer, part of the Valuation Office Agency.

The rent officer values the property rent in the same way that it valued private tenancies before the introduction of LHA, i.e. the 50th percentile using up-to-date market data excluding the exceptionally high and low and including rents that are paid using housing benefit. The Rent Officer does not consider that the accommodation is supported and returns a 50th percentile determination for the property in question.

The Rent Officer assesses the rent and makes their determination, known as the Claim Related Rent (CRR). This determination is applied to the tenant's housing benefit claim and used to calculate the subsidy payment.

The government refunds the council 100 per cent of the CRR. If the claimant is [3]vulnerable, the government will also refund 60 per cent of any excess rent above the CRR. If the claimant is not vulnerable the subsidy is limited to the CRR. This is expressed in the below table:

3: Abridged, vulnerability in this instance is a claimant who is incapable of work, responsible for a child or of pensionable age.

Example	Eligible rent	ROD	Difference between rent and ROD	Subsidy if vulnerable	Loss if vulnerable	Loss if not vulnerable
A	£500	£200	£300	£180	£120	£300
B	£350	£180	£170	£102	£68	£170

The subsidy arrangements for each landlord type are illustrated in the below table in a one bed self-contained accommodation:

Landlord type	Weekly rent	Weekly subsidy	Weekly loss	Annual cost to BCC
RP	£500	£500	£0	£0
Not for profit	£500	£180	£320	£16,640
For profit	£160 (LHA)	£160		Unknown – care package subsidises losses on accommodation

Appendix 4 Glossary of terms and abbreviations

Abbreviation	Definition
ASC	Adult Social Care
AT	Assuring Transformation
BCC	Bristol City Council
BNSSG	Bristol, North Somerset, South Gloucestershire ICB
CPI	Consumer Price Index
CRR	Claim Related Rent
DWP	Department for Work and Pensions
HRA2008	Housing and Regeneration Act 2008
ICB	Integrated Care Board
LA	Local Authority
LHA	Local Housing Allowance
MDT	Multi-Disciplinary Team
MHA	Mental Health Act
NDSS	Nationally Described Space Standard
REIT	Real Estate Investment Trust
ROD	Rent Officer Decision
RP	Registered Provider
RSH	Regulator of Social Housing
S117	Section 117 of the Mental Health Act 1983
SEA	Specified Exempt Accommodation
SHRR2016	Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016
SSH	Specialised Supported Housing
SSSC	Social Sector Size Criteria
UC	Universal Credit

Documents available in other formats:

If you would like this information in another language, Braille, audio tape, large print, easy English, BSL video or CD rom or plain text please contact:
housingdeliveryteam@bristol.gov.uk

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