

## **Specialist Supported Housing Providers**

**Joint Briefing/Advice note prepared by NHS England and NHS Improvement, Local Government Association and ADASS**

**For the attention of all CCG Learning Disability Commissioners and Local Authority Learning Disability Commissioners**

You may be aware that the Social Housing Regulator has recently issued statements and findings related to a number of specialist housing providers.<sup>1</sup> This briefing aims to update local authority (Social Care and Housing) and NHS Commissioners on the current position.

In Autumn 2018, a specialist supported housing provider (SSH) nearly went into insolvency prompting the Regulator of Social Housing (RSH) to look more closely at other housing providers who operate a similar model. The regulator is concerned about the long-term financial viability of SSH providers who rely solely or heavily, on the lease-based model of housing supply. This is where SSH Providers enter into long-term lease arrangements with investors or developers to deliver housing rather than acquire or own the housing stock directly and the regulator has therefore found a number of these providers to be non-compliant with the Social Housing Regulatory Standards.

Several SSH providers, who rely on this business model, were established specifically to provide housing solutions for people with learning disabilities and mental health conditions. Many of the providers are widely involved in providing housing solutions for the population served by Transforming Care.

Many health and social care commissioners have placed clients with one or more of the SSH providers found to be non-compliant. In addition, some health and social care commissioners may be entering into new business arrangements with SSH providers.

We (NHS England and NHS Improvement, LGA, and ADASS) are in contact with the Regulator. The Regulator considers the risk lies in the longer term financial model when things change such as demand for the properties, public policy changes, welfare reforms or interest rates rises.

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/792650/Lease-based\\_providers\\_of\\_specialised\\_supported\\_housing\\_-\\_April\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/792650/Lease-based_providers_of_specialised_supported_housing_-_April_2019.pdf)



The Regulator has assured NHS England and Improvement, LGA and ADASS that it will talk to local commissioners directly if there is an imminent risk to any tenancies. The Regulator is also working closely with all the housing providers found to be non-compliant and is supporting them to ensure all statutory requirements for safety are in place, address the financial risks identified, contingency plan for future scenarios and become compliant once again.

We are convening further discussions with relevant parties and the regulator prior to issuing further advice on how people approach the situation and what type of solutions and reassurance may be available to them - for example if there are situations where commissioners believe voids would be highly unlikely over the time of leases.

In the interim Commissioners may want to:

- Familiarise yourself with the regulatory notices of the housing providers with whom you are currently working<sup>2</sup>.
- Subscribe to the RSH announcements and e-alerts to keep abreast of any regulatory changes.
- Speak to the provider directly to understand what work they are doing to become compliant with the required standards.
- Consider how you can work with housing providers to ensure they can meet the compliance tests.
- Work with your local Housing Authority when choosing social housing providers to work with (including gaining awareness of their regulatory status).
- Have early conversations about the expected rent levels being asked for in any business arrangements and whether the rents are being fully covered by local housing benefit, which may reduce the risk longer term.

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<sup>2</sup> <https://www.gov.uk/government/publications/regulatory-judgements-and-regulatory-notice>