

Shelter

Homelessness Reduction Bill: Second Reading (House of Lords)

Summary:

Shelter helps millions of people every year struggling with bad housing or homelessness – and we campaign to prevent it in the first place. We're here so no one has to fight bad housing or homelessness on their own.

We support the aims of the Homelessness Reduction Bill, particularly the emphasis on prevention of homelessness; the new duty to assist those threatened with homelessness within 56 days will be very positive for all those facing homelessness. New duties to assess, prevent and relieve homelessness for all eligible applicants could be a big step forward in reducing homelessness, especially among non-priority households who are currently not entitled to rehousing.

However, this legislation alone - even with the new funding announced by the Government - will not significantly reduce homelessness, as changes in legislation cannot and will not be effective in isolation.

To be truly effective, these new duties need to be underpinned by a renewed, cross-departmental Government strategy and policies to ensure suitable accommodation is available in areas where it is needed to prevent homelessness and councils have the resources required to respond adequately and compassionately.

Otherwise, there could be unintended consequences, such as 'gate-keeping' of services, unlawful decisions and repeat homelessness, with damaging consequences for children and other vulnerable applicants and a lack of meaningful outcomes for single adults.

Shelter would like to see safe passage of this Bill and we therefore ask you to not put forward any amendments.

Key proposals provided by this Bill include:

Extending the period an applicant is "threatened with homelessness": Currently, a council should accept an applicant as homeless if it's likely that they could lose their home within the next 28 days. This applies to tenants being evicted or homeowners threatened with repossession by a mortgage lender. This Bill extends that period from 28 days to 56 days (Clause 1).

Strengthened advice and information duty: Strengthens and clarifies the duty on housing authorities to provide advisory services to help to prevent homelessness (Clause 2).

New duty to assess and agree a personalised plan: Requires local authorities to carry out an assessment of an applicant's case if they are homeless or threatened with homelessness and provide written confirmation (Clause 3).

New 'prevention' duty in cases of threatened homelessness: Requires local authorities to help to ensure that suitable accommodation does not cease to be available for applicants who are threatened with homelessness, **regardless of priority need** (Clause 4).

New 'relief' duty to help to secure accommodation: Requires local authorities to help to secure accommodation for all applicants who the authority is satisfied are homeless and eligible for assistance, **regardless of whether they are in priority need** or intentionally homeless (Clause 5).

The Bill allows councils to give notice to applicants whom they consider to have **deliberately and unreasonably refused to cooperate with the above duties or to take any step** set out in the personalised plan (Clause 7). People in this position are not entitled to the full homelessness duty even if they are in priority need (Clause 7(2)). However, the council is required to accommodate priority need applicants until they are made a final offer of accommodation (which must be at least a 6-month tenancy).

Key clauses of the Bill

- **Clause 1**

At Committee Stage in the House of Commons the majority of Clause 1 was stripped out and only the clause which extends the period of 'threatened with homelessness' from 28 to 56 days was retained. We are very supportive of this principle and were glad to see it retained. The amended Clause is also **an improvement on the previous version of Clause 1** because it entitles people to 'help to prevent' homelessness around the time they are served with a s.21 notice.

Unfortunately, Clause 1 of the Bill no longer helps to resolve the practice of tenants being asked by local authorities to stay in their property until the bailiffs come – **a practice which was raised and condemned by numerous MPs at Second Reading in the House of Commons.**

The older version of Clause 1 amended the **definition of homelessness** to apply to households who have been served a notice seeking possession, which has expired. Given that this is no longer the case, the Bill therefore **undermines the current [statutory guidance](#)** by allowing councils to continue to argue that applicants are not homeless, and entitled to interim accommodation, until the bailiff eviction, which is costly and distressing for tenants. Even if statutory guidance were strengthened and reiterated that a person should be treated as homeless at the expiry of the notice, councils could continue to flout this as they do now and there would be little legal remedy. Indeed, Shelter services in every region report that councils **regularly flout the guidance**, which is currently as strong as it could be, by refusing to offer interim accommodation until a bailiff's date. **We would like a commitment to consider regulations under the Housing Act 1996 to provide a legal remedy for applicants.**

- **Clause 7**

Clause 7 of the Bill includes provisions for councils to give notice to applicants whom they consider to have **deliberately and unreasonably refused to cooperate with the above duties or to take steps** set out in the personalised plan. This is intended to ensure that applicants cooperate with the help given. People in caught by this provision are not entitled to the full homelessness duty even if they are in priority need, although they are entitled to a 'final accommodation offer' of a suitable 6-month private tenancy.

We are supportive of the concept of "deliberately and unreasonably refusing to cooperate" as the justification for this sanction. If vulnerable people, such as those with disabilities, are not to be denied help under this measure, **it must be a high bar**. We also deem the safeguards to be adequate, namely:

- that the authority must give a 'relevant warning' to the applicant that, should they continue to deliberately and unreasonably refuse to cooperate, a notice ending the duty will be given
- the notice must outline why the authority are giving notice

- applicants have the right to request a review of the authority's decision to give notice

We would not want to see this high bar or the related safeguards eroded in any way.

Funding and resources

At Committee the Government announced £48m of new burdens funding for implementation of the Bill. The funding will be divided as:

- £35m in 2017/18
- £12m in 2019/19
- £0 in 2019/20

At Report Stage the Minister announced £13m additional funding, to fund the new burdens created by amendments passed at Report. This brings the total funding of the Bill to **£61m**.

Extra money is essential to help local councils adapt to providing new and expanded services for homeless people and it's welcome that the Government has gone some way to recognise this. However, an immediate cause for concern is the way in which the proposed funding is to be introduced, and then quickly removed. **Short-term funding isn't enough to address the scale of homelessness in England, nor to ensure that there is a culture change in the way people are helped.**

We are facing a situation where by 2020, the pool of affordable homes will be smaller, welfare cuts will be deeper and some of those already helped into 6 month tenancies could again be threatened with repeat homelessness. But by then, the funding available to respond to all this will be gone. **Our new research shows that if the current freeze on LHA continues, by 2020 Local Housing Allowance won't cover rents for even the cheapest properties in over 80% of local authority areas. Councils will struggle to help people into accommodation at the very time the funding runs out.**

Government needs to address the structural causes of homelessness as well as the new burdens created by the Bill. Housing benefit is a vital means to prevent and relieve homelessness. To give this legislation any hope of significantly reducing homelessness, the Government must reverse the freeze on Local Housing Allowance rates (see below for further information).

- **Review of legislation after 2 years**

Because the legislation will entitle additional groups to assistance and will require councils to provide more personalised help, it is difficult to quantify the impact of the Bill. We **strongly support** the commitment made by the Homelessness Minister at Report Stage in the House of Commons, to review the implementation of the legislation, including its resourcing and how it is working in practice, within two years. This is particularly important given the assumptions made by the Government that the Bill will be revenue neutral in its third year, which means the funding reduces to £0 in 2019/20.

Key issue: availability of suitable homes

While we are supportive of the aims and approach taken by the Homelessness Reduction Bill, as stated above, **changes in legislation cannot and will not be effective in isolation**. Rising homelessness primarily comes down to a chronic shortage of affordable homes where they are needed.

To be truly effective, these new duties must be underpinned by Government strategy and policies to provide suitable, stable and sustainable tenancies. Otherwise, there could be unintended consequences, such as 'gate-keeping' of services, unlawful decisions and repeat homelessness. Despite having clear legal entitlements to assistance under the current legislation, we regularly see people who qualify for assistance

(for example visibly pregnant women or other vulnerable adults) who approach local authorities, but come away without an application for assistance being taken. Lack of accessible, suitable accommodation could also result in families feeling pressurised to take unsuitable accommodation (such as in areas with few job opportunities and far from existing connections such as schools and informal support networks).

Therefore, we consider it inevitable that, to be able to help people under the new duties, councils with significant levels of existing homelessness will require not only additional resources but, more importantly, an adequate supply of accessible, affordable and suitable homes in the social or private rented sectors.

In order for this legislation to be effective, local authorities desperately need an increase in the supply and availability of affordable housing. Perversely, measures in the Housing and Planning Act 2016 would dramatically reduce the number of affordable properties available to many local authorities – namely, through the forced sale of high value council homes.

The Government has announced a delay in introducing this policy until at least 2018. We urge the Government, who inherited the responsibility of enacting these measures, to suspend implementation of this policy indefinitely, in order to give this Bill a real chance of reducing homelessness. Between the 20 councils likely to be hardest hit, 23,876 homeless children are living in temporary accommodation (end of June 2016) due to the shortage of affordable homes.

Recommendation: In order to increase the affordability and availability of homes, the Government must indefinitely suspend the forced sale of high value council homes in areas with high levels of homelessness.

Key issue: Lack of co-ordination between government policies

Shelter maintains that investing in supply, with additional targeted support for people on very low incomes, is the most efficient way of subsidising housing over the long run and the Government should aim to increase spending on new supply with the long-term objective of reducing housing benefit expenditure. However, building the homes we need will take time, as the Government acknowledges.

Within the current housing market, **housing benefit is one of the best short-term tools to improve affordability and prevent homelessness by allowing those on low income to house themselves without having to turn to their local authority**, ultimately saving the Government money.

Changes to Local Housing Allowance since 2011 have **worsened affordability and weakened its ability to function as a safety net**. The current four-year freeze on Local Housing Allowance rates has increased the gap between the maximum rent that welfare benefits will cover and market rents. The gap is set to increase as rents will continue to rise.

Our new research shows that if the current freeze on LHA continues, by 2020 Local Housing Allowance won't cover rents for even the cheapest properties in over 80% of local authority areas.

This **DWP policy risks endangering and undermining the efforts of DCLG** and the measures in the Homelessness Reduction Bill. Given that the Government has committed to funding the Homelessness Reduction Bill, we are risking the perverse situation where government ends up using money to pay to relieve the homelessness it has created. If tenants are unable to self-serve and find a home in the private rented sector, they are more likely to approach local authority homelessness services, where councils are often left with no choice but to house people in expensive, nightly paid accommodation.

Recommendation: In order to help the many private tenants who could be at risk of homelessness because of the LHA freeze, the Government must review Local Housing Allowance rates and ensure that housing benefits reflect actual housing costs. Local authorities are rightly required to review the causes of homelessness in their areas and develop 5 yearly strategies to tackle it. If this Bill is to reduce homelessness, we must see a commitment to a similar strategic approach across national Government.

If you require any further information, please get in touch with Poppy Terry on 0344 515 2274 or poppy_terry@shelter.org.uk