

## Government response to the Communities and Local Government Select Committee Reports: Homelessness and Homelessness Reduction Bill

Presented to Parliament by the Secretary of State for Communities and Local Government by Command of Her Majesty

March 2017



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### Government response to the Communities and Local Government Select Committee Reports: "Homelessness" and "Homelessness Reduction Bill"

### Introduction

- 1. The Communities and Local Government Select Committee launched an inquiry into the causes of homelessness in December 2015. The Committee took submissions of written evidence and held a number of oral evidence sessions. The Committee published its report on 18 August 2016. The Government welcomes the Committee's report and the opportunity to respond to its recommendations.
- 2. People who find themselves homeless include some of the most vulnerable in our society and the Government remains committed to ensuring they receive the help they need to prevent a homelessness crisis in the first place, and the support to recover from homelessness when it does occur.
- 3. The Government recognises that local authorities and the voluntary sector face challenges, with more people seeking help and often with complex reasons behind their homelessness. It has listened and is taking action. The Government has increased central government funding for homelessness programmes to £149 million over the Spending Review period, including £50 million for a Homelessness Prevention Programme. The Government has maintained and protected homelessness prevention funding for local authorities through the local government finance settlement totalling £315 million by 2019/20. In the 2016 Budget a further £100 million was committed to deliver low cost 'move on' accommodation. This will deliver at least 2,000 places for people moving on from hostels and refuges, freeing up spaces for others who need them. The Government has also reformed funding arrangements by replacing the Department for Work and Pension's Temporary Accommodation Management Fee with a flexible homelessness. This amounts to £402m over the two years from 2017/18, with further funding to be announced for 2019/20 in the next financial year.
- 4. The Committee's inquiry and report have therefore come at a time when significant progress is being made to prevent homelessness. The Government is also supporting Bob Blackman's Private Members' Bill, the Homelessness Reduction Bill, which has now completed its passage through the House of Commons and had its Second Reading in the House of Lords on Friday 24 February 2017. The Government's support for the Bill builds on a Government announcement made in December 2015 to consider all options, including legislation, to prevent homelessness. The Bill will significantly reform England's homelessness legislation, ensuring that more people get the help they need to prevent a homelessness crisis in the first place. The Government has announced that £61m will be provided to fund the costs of the Bill. The Communities and Local Government Select Committee undertook prelegislative scrutiny on an earlier version of the Bill. Mr Blackman considered the Committee's report before publishing his revised Bill, and he took on board a number of the Committee's recommendations. The Government is grateful to the Committee for its work in shaping the final Bill.
- 5. In their report following the inquiry into the causes of homelessness, the Communities and Local Government Select Committee made 24 concluding points and recommendations. The Government's response to each is set out below.

### **Conclusions and recommendations**

### **Official statistics**

Recommendation 1: The Government must take steps to improve data collection and implement the recommendations of the UK Statistics Authority as a matter of urgency. The aim should be to ensure that figures capture trends more accurately to reflect more than just the total number of homeless people, and the approach taken by CHAIN should be rolled out further across the country. The scale of hidden homelessness must also be appreciated: people who are homeless but have not approached local authorities for help and those who do seek help but are turned away before a formal application is made (discussed further in Chapter 4) are still homeless and should be taken into account in national statistics. The DCLG should give consideration to how this group can be captured effectively in the data it collects. We will monitor the Department's progress improving their statistics, and will return to the issue in twelve months' time. (Paragraph 12)

- 6. The Government agrees with the Committee that homelessness data collection should be improved. Data can play a vital role in preventing and tackling homelessness. The Government has already taken some significant steps to improve data collection. In 2010, the Government overhauled the methodology for counting rough sleepers, so every council now has to report the scale of the problem in their area. The pre-2010 figures underestimated the number of rough sleepers as not all local authorities were required to submit a return. The Government is committed to further improving data to better understand performance and increase accountability.
- 7. The UK Statistics Authority (UKSA) report<sup>1</sup> confirmed the designation of the statutory homelessness figures as National Statistics which fully comply with the Code of Practice. The report outlined further requirements and the Government is now working with the UKSA on their other recommendations to further improve its statistics. This includes:
  - Publishing prevention and relief statistics on a quarterly basis. This began in June 2016.
  - Strengthening user engagement. In April 2016 Government officials held a joint user group with the UKSA and held a further user event on rough sleeping data in November 2016 exploring ways to improve the data.
  - Findings from user engagement events will inform development plans for rough sleeping and statutory statistics.
- 8. The Government is using the opportunity afforded by the recently allocated £20 million Homelessness Prevention Trailblazers fund and the Homelessness Reduction Bill to overhaul the data the Government has on homelessness. This project will use the trailblazer areas to trial the collection of much more detailed data covering a wider range of topics, including information on people approaching the local housing authority for help, to transform the evidence base around the causes of homelessness and the impact of responses. The lessons from the trailblazer data gathering exercises will be evaluated and shared with local authorities across the country. This data redesign project will also enable the collection of the Homelessness Reduction Bill. Because the Bill will extend meaningful help to a wider group of people, it is expected that more people who may not have a priority need will seek help. As a result, we anticipate seeing improved data relating to single homelessness, including youth homelessness. The Government does not, however, agree with the Committee's recommendation that hidden homelessness should be included in the national statistics

<sup>1</sup> https://www.statisticsauthority.gov.uk/publication/statistics-on-homelessness-and-rough-sleeping-in-england-department-forcommunities-and-local-government/

- 9. The Government agrees that further improvement to rough sleeping data is needed, including the collation of more information about the circumstances and charateristics of people sleeping rough, similar to the information captured on the CHAIN database. The Government consulted with key users and suppliers in November 2016 on ways to improve our understanding of rough sleeping, including the scale of the problem in different areas, the demographics and support needs of rough sleepers and single homeless people, and what works to prevent rough sleeping and support people in their recovery.
- 10. Local areas reported that CHAIN does not bring together rough sleeping data with accommodation services, housing options or other support services and referral options for homeless people. There are several other local systems that are able to go beyond outreach data, like CHAIN captures, and make these links. At this stage, the Government does not agree with the Committee that it should centrally roll out CHAIN or a similar system across the country. The Government will continue to work with local areas to identify how central government can facilitate better data collection in every area.
- 11. The Government has developed a cross-Government Homelessness Data and Analysis Working Group to progress work to improve homelessness data more broadly. The Group aims to establish:
  - Shared definitions of homelessness and associated support needs;
  - Shared understanding of permissions; and
  - Data sharing agreements and principles across central government and between local agencies.
- 12. The Government has already improved the annual rough sleeping count by including demographic information for the first time in 2016, and will continue to refine this process in future years.

### Factors in the increase in homelessness

Recommendation 2: In light of the shortage of social housing, the private rented sector is an essential means to help people escape and avoid homelessness. However for many the financial barriers and instability of tenancies are too great. The Government should explore measures to give greater confidence both to tenants and to landlords to encourage them to let to homeless people. Local Housing Allowances levels should also be reviewed so that they more closely reflect market rents. Landlords should be encouraged to offer longer Assured Shorthold Tenancies which allow tenants to leave early without penalty. (Paragraph 21)

- 13. The Government agrees that the private rented sector plays an important role in helping people escape and avoid homelessness. In February 2017 Government published the Housing White Paper, 'Fixing our broken housing market'<sup>2</sup>. The White Paper sets out Government's ambition to make private rented sector more affordable and secure for people, and to ensure that it is accessible to vulnerable people and those on low incomes.
- 14. Renters often face upfront costs including fees charged by letting agents to tenants. Tenants have no control over these fees because the agent is appointed by and works for the landlord. As announced at Autumn Statement, the Government will consult shortly ahead of bringing forward legislation to ban letting agent fees to tenants. This will improve competition in the market and give renters greater clarity and control over what they pay<sup>3</sup>.
- 15. The Housing White Paper outlines the Government's commitment to promoting longer tenancies on new build rental homes, working in partnership with the National Housing Federation and the British Property Federation. The Government has also established the Private Rented Sector Affordability and Security Working Group, made up of sector representatives including Shelter and Crisis, to explore practical options to reduce costs and barriers for people who access and move within the private rented sector. The Group is due to present its recommendations to Government Ministers shortly.
- 16. The Local Housing Allowance (LHA) rates are currently frozen for a period of 4 years until March 2020 and as such, the Government has no plans to review them at the current time.
- 17. The Government does recognise, however, that the impact of freezing LHA rates may have very different effects across the country and that rents in some areas may increase and at different rates. In view of this, 30% of the savings from the LHA Freeze measure will be recycled to create Targeted Affordability Funding which is available from 2017/18. It will be used to increase some LHA rates in areas with higher rental costs. More funding will be available for this purpose in subsequent years.
- 18. In addition, the enhanced package of Discretionary Housing Payment funding over £800 million over five years from 2016/17 to 2020/21 will enable local housing authorities to protect the most vulnerable claimants and support households affected by welfare reforms such as the LHA freeze. Where households are at risk of homelessness, local housing authorities can use Discretionary Housing Payment funding to provide help either with helping to meet a shortfall in Housing Benefit or meeting up-front costs such as rent in advance, or a deposit.

3 Several groups have called for letting agent fees to be banned, including Shelter and Priced Out: <u>http://blog.shelter.org.</u> <u>uk/2016/11/government-to-ban-letting-agency-fees/; http://www.pricedout.org.uk/manifesto</u>

<sup>2</sup> https://www.gov.uk/government/publications/fixing-our-broken-housing-market

#### **Recommendations 3 and 4 – Home Ownership**

Recommendation 3: We note that there is a clear demand for low cost home ownership which is answered in part by Starter Homes but not all people are in a position to afford this step. There is therefore a case for the development of homes for affordable rent which we encourage the Government to act on by working with local authorities to deliver the homes that are needed at a local level. (Paragraph 24)

Recommendation 4: We recognise the need to develop Starter Homes to meet the demand for low cost home ownership but recognise the need for appropriate new homes for affordable rent. The Government should therefore review the definition of affordable housing to reflect local needs. (Paragraph 29)

- 19. The Government is committed to delivering more affordable housing. The Housing White Paper sets out our wider plans to help reform the housing market and increase the supply of new homes. This includes measures to ensure that this country plans for more homes in the right places, builds those homes faster and diversifies the market. Particular measures are aimed at attracting more institutional investment to build more homes for rent, and ensure that more family-friendly tenancies of three or more years are available. The White Paper also includes measures to encourage more housebuilding by Housing Associations and local authorities. The Government has recently announced an extra £1.4 billion of funding for Affordable Housing and has relaxed restrictions on funding so providers can build a range of homes including for Affordable Rent.
- 20. The Government wants local authorities to deliver starter homes as part of a mixed package of affordable housing of all tenures, responding to local needs and local markets. In the Housing White Paper the Government confirmed that there will be no mandatory starter homes requirement; instead the scale of affordable home ownership is expected to be agreed locally. The Government is consulting on a minimum 10% affordable home ownership policy expectation on suitable housing sites through the National Planning Policy Framework. Through the wider range of Government programmes, the Government expects to help over 200,000 people become homeowners by the end of the Parliament. Starter homes will be an important part of this offer alongside action to build other affordable home ownership tenures like shared ownership and to support prospective homeowners through Help to Buy and Right to Buy.
- 21. The Government consulted on a number of specific changes to the National Planning Policy Framework from December 2015 to February 2016, including the proposal to broaden the definition of affordable housing to expand the range of low cost housing opportunities. The Government has considered the responses received and published its response alongside the Housing White Paper on 7 February 2017<sup>4</sup>.

<sup>4</sup> https://www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes

#### Recommendations 5, 6 and 7 – Welfare

Recommendation 5: We urge the Government to recognise that many 18–21 year olds are at significant risk of homelessness, and to make provision for those who have been in work but have lost their job to have a 'grace period' of, say, one to two months before the housing element of Universal Credit is withdrawn. (Paragraph 30)

- 22. In conjunction with a number of stakeholders, such as Crisis and YMCA England, the Government has developed a set of exemptions to the 18-21 Universal Credit policy which will protect the most vulnerable young people. And specifically, the Government has already made it clear that those who have been in work for six months prior to a claim will be exempted from the policy for six months, which responds to the Committee's suggestion of a 'grace period'. The policy was recently presented to the Social Security Advisory Committee who concluded that it would not take the draft regulations on formal reference. The minutes from the meeting have been published online<sup>5</sup>.
- 23. The Government is committed to tackling youth homelessness. The Homelessness Reduction Bill will mean more young people are supported to avoid homelessness in the first place and to resolve it if it does happen. The Government is also funding specific programmes for young people:
  - A **Positive Pathway Framework** to help local authorities and their partners respond effectively to youth homelessness: two thirds of local authorities have been supported to develop their homelessness prevention, accommodation and support services for young people;
  - **£15 million Fair Chance Fund** programme which is supporting around 1,900 homeless 18-25 year olds with complex needs into accommodation, education, training and employment; and
  - £40 million Platform for Life programme providing affordable shared accommodation for homeless young people so they have a stable platform for work.

Recommendation 6: The Government's position is that claimants should receive the benefits they are due, and then take responsibility for their own arrangements to meet the costs of their outgoings. However we are concerned that this policy is having a direct impact on levels of homelessness. All recipients of housing support should have the option of having their housing benefits paid directly to their landlord, reducing the likelihood of them falling into arrears and increasing landlord confidence and willingness to let to tenants at risk of homelessness. (Paragraph 34)

### Conclusion 7: The impact of the welfare reforms of recent years have increased pressure on levels of homelessness.

24. Universal Credit promotes personal responsibility and the Government expects the majority of claimants to manage their finances, including their own housing costs. This is important in minimising the difference between paid employment and being on benefits, and effectively removes a key barrier to moving back into work. However, the Government recognises that for some tenants in the social sector, this will be a change in responsibility and there will be instances where the claimant needs additional support. There are therefore three alternative payment arrangements: making a managed payment of the Universal Credit housing costs to the landlord; making payments more frequent than monthly; or splitting the payment between two members within the household.

<sup>5</sup> https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/571575/ssac-minutes-nov-2016.pdf

25. Wherever possible, these arrangements are time-limited and delivered in conjunction with appropriate budgeting support to help claimants successfully make the transition to monthly budgeting. Alternative payment arrangements can be considered at the start of a claim or at any point during the course of the claim. Allowing claimants to opt out of their responsibility for managing their own money is a backwards step, and does not encourage the change in behaviour Universal Credit aims to deliver. The Government's position remains that the current discretionary power to make direct payments provides sufficient protection for those that need it.

### The role of local authorities

# Recommendation 8: The Government should consider setting a statutory duty to provide meaningful support to single homeless people who can prove a local connection. (Paragraph 44)

- 26. The Government agrees that there is a need for additional statutory duties to provide support to a wider group of homeless people. This is why the Government is supporting the Homelessness Reduction Bill. The Bill will result in significantly better outcomes for anyone at risk of homelessness, including improving support to households not in priority need (sometimes referred to as single homeless people). The Bill will require local housing authorities to take reasonable steps to help prevent any eligible person who is at risk of homelessness from becoming homeless (Clause 4 of the Bill). This means either taking steps to help applicants to stay in their current accommodation or taking steps to help them find a new place to live. If the prevention activity is not successful and a household becomes homeless they will receive additional help through the relief duty.
- 27. Homelessness relief is action taken to help households resolve homelessness. The relief duty (Clause 5 of the Bill) requires local housing authorities to take reasonable steps to help secure accommodation for any eligible person who is homeless. The duty to provide advisory services (Clause 2 of the Bill) will also require local housing authorities to provide homelessness services to all those affected. These measures will mean that many more people will get the help and assistance they need to resolve a homelessness crisis. These measures add to and strengthen the existing homelessness safety net.
- 28. However, legislation alone is not the answer. The Government's £50 million Homelessness Prevention Programme will also help to ensure that support is available to those that need it, to prevent a homelessness crisis occurring in the first place, intervening quickly when it does, and help for those entrenched rough sleepers with the most complex needs. This funding has now been allocated to 84 projects, involving over 200 local authorities, which will:
  - Reform frontline homelessness services and partnership working through Homelessness Prevention Trailblazers in around 86 local authorities;
  - Roll out effective approaches to target people at imminent risk of rough sleeping or new to the streets through the Rough Sleeping Grant programme, where 48 projects will prevent or reduce rough sleeping in innovative ways, by strengthening and building partnerships with agencies that play a crucial role in helping those at risk of or already sleeping rough to exit; and
  - Ensure that some of the country's most entrenched rough sleepers get specialist multiagency support to come off the streets and to re-build their lives through Rough Sleeping Social Impact Bonds in eight bid areas. The successful areas are expecting to reach up to 1,200 people.
- 29. The lessons learned from this process will support the implementation of the Homelessness Reduction Bill.

Recommendation 9: We acknowledge that the task facing local authorities is significant and that under the current legislation, sorting and prioritising some applicants over others is required. However it is not acceptable that the level of support offered to vulnerable people can vary significantly across the country. We welcome and applaud initiatives such as those at Newham and Camden, but remain concerned that some other local authorities have not been so proactive. As we have heard from witnesses who have been homeless: at a time when they are most vulnerable, people deserve to be treated with compassion and understanding rather than as if they were at fault. We therefore call on the Government to monitor local authorities in order to promote best practice, to identify authorities which are not meeting their statutory duties and implement a Code of Practice to which local authorities should adhere. We will continue to monitor the work of local authorities and will return to the issue in twelve months and may consider commissioning independent research of local authority practises. (Paragraph 50)

- 30. The Government is reviewing homelessness data gathering to ensure greater transparency in performance, building on the existing extensive collection of data on local housing authorities' compliance with statutory duties. The Government currently produces three sets of regular statistics: statutory homelessness, homelessness prevention and relief, and rough sleeping. Local housing authorities report their statutory homelessness activities under Part 7 of the Housing Act 1996 by completing the quarterly P1E statistical return. The P1E contains information about decisions made on homelessness applications, including characteristics of applicants, the immediate outcomes of decisions, and households and children in different types of temporary accommodation, amongst other things. The department is looking at how it can change data collection to get a clearer view of what help people are receiving and how effective it is in preventing or resolving their homelessness. The Trailblazer programme will act as a rapid test bed to implement and stress test new approaches, the results of which will feed into the implementation of the Homelessness Reduction Bill.
- 31. The Government welcomes the excellent work of the many local housing authorities across the country who provide high-quality services to people at risk of homelessness and those facing homelessness, while acknowledging that more can be done in some areas to improve practice. Building on its funding of the National Homelessness Advice Service, the Government is taking action to spread good practice and to ensure that all areas improve to the level of the best. Local authorities will have access to support through a network of expert practitioner advisers and will be able to find the latest in evidence based good practice through a new online hub. The adviser team will provide support and challenge to local housing authorities in order to drive effectiveness and root out bad practice.
- 32. The Department is working closely with local housing authorities to shape their future prevention work, and to ensure they can benefit from the learning in areas that are already delivering excellent services. The Government's £20m Homelessness Prevention Trailblazer programme is allowing authorities to trial new approaches and build on existing good practice to prevent more people becoming homeless in the first place. An independent evaluation of the programme has been commissioned to determine what really works and establish an evidence base and toolkits that all authorities can use. The network of expert advisors will help embed the latest evidence based best practice in all authorities. Members of the Local Authority Homelessness Working Group, chaired by the Minister for Local Government, Marcus Jones MP, will help to act as champions of best practice and drive change on the ground.
- 33. As part of the Bill's implementation the Government will revise the existing statutory Code of Guidance, in consultation with local government and other key stakeholders. This will provide updated guidance on how local housing authorities should exercise their homelessness functions and apply the legislation in practice. The Code of Guidance will be published ahead of the Bill's implementation.

- 34. Clause 11 of the Homelessness Reduction Bill Codes of Practice provides the Secretary of State with a power to produce statutory Codes of Practice, providing further guidance on how local housing authorities should deliver their homelessness and homelessness prevention duties. The power to issue Codes of Practice could be an important tool to raise the standards of homelessness support services across the country to those of the very best. When deciding whether and where a Code of Practice is required, the Government will first look at evidence on whether local housing authorities are raising their service standards via other non-legislative means. Where it is clear that despite all other endeavours standards have not been raised to an acceptable standard, the Government will consider whether further improvement can be driven through such a Code.
- 35. The content and enactment date of the Codes of Practice would be decided by the Secretary of State but could include instructions covering the homelessness and homelessness prevention activities of local housing authorities.

#### Recommendations 10 and 11 – Location

Conclusion 10: Housing people away from their homes and support networks should be an action of last resort, but we appreciate the pressures that councils are under and do not oppose out of area placements in principle. Nonetheless we are concerned that some authorities do not always follow the statutory guidance and fully consider the needs of the family being placed, or whether there might be a nearer available home. (Paragraph 53)

Recommendation 11: Local authorities seeking to house homeless families face a significant challenge, especially in high value areas such as London. However the needs of the individuals must be fully considered. When this has not happened, it is entirely appropriate that they should be able to challenge the decisions taken by their local council. *The Secretary of State should write to all local housing authorities to reiterate councils' duties as outlined in the Code of Guidance and emphasise the duty of care that local authorities owe to some of their most vulnerable residents.* (Paragraph 54)

- 36. The Government does not consider that the Secretary of State should write to all local housing authorities to reiterate councils' duties as outlined in the Code of Guidance. The Housing Act 1996 and the Homelessness Code of Guidance (2006) are clear that local housing authorities must secure suitable accommodation for homeless households within their own district so far as is reasonably practicable. The Government has introduced secondary legislation requiring that councils must take into account the impact a change in location would have on a household, including the possible disruption to people's jobs and children's schooling.
- 37. Under Section 206 of the Housing Act 1996, any accommodation provided for a homeless household by the housing authority must be suitable. In considering 'suitability' authorities must, by law, consider whether the accommodation is affordable for the applicant, its size, and also its location. Local housing authorities must take into account a number of important factors when considering the location of accommodation. These include any disruption a change of location would cause to employment, caring responsibilities or education of the applicant or members of their household. It is clear that where possible the local housing authority should also seek to retain established links with key services and support that are essential to the well-being of the household. Distance is also an important factor and the statutory guidance explains that where it is not possible to secure accommodation within district and an authority has secured accommodation outside their district, the authority should take into account the distance of that accommodation from the original home. This means that where accommodation which is otherwise suitable and affordable is available nearer to the authority's district than the accommodation which it has secured then the accommodation it has secured is not likely to be suitable; that is unless the authority has a justifiable reason or the applicant has specified a preference.

- 38. Section 202 of the Housing Act 1996 also grants applicants the right to request a review of the local housing authority's decision that the accommodation offered is suitable. If the applicant remains dissatisfied with the decision following review they can then seek an appeal in the County Court on a point of law.
- 39. If a household is placed in private rented sector accommodation, the changes introduced in 2012 provide for a 're-application duty'. This means that if their homelessness placement comes to an end, through no fault of their own and within two years of it starting, they will be owed the main homelessness duty again and they will have to be provided with accommodation by the regardless of priority need.

Recommendation 12: The impact on the areas receiving homeless households from other parts of the country should be recognised, and the Government should monitor local authorities to ensure that such placements only occur as a last resort. *The practice and process of housing homeless families in areas away from their support networks, employment and schooling should be monitored.* Local authorities should be required to demonstrate that the families are supported to make the moves successful, the receiving authority has been notified, the placement is as close to the family's former home as possible and all the family's needs have been fully considered. The Government should also consider what guidance should be given to local authorities where families move from low cost areas of the country to higher cost areas and subsequently present themselves as homeless after short periods of time in privately rented accommodation. We recognise that this might need new secondary legislation. (Paragraph 56).

- 40. Where it is not reasonably practicable for the applicant to be placed in accommodation within the housing authority's district, and the housing authority places the applicant in accommodation elsewhere, Section 208 of the Housing Act 1996 requires the housing authority to notify the receiving housing authority. The statutory Homelessness Code of Guidance sets out the process that local housing authorities should follow when securing accommodation out of district. Furthermore, the quarterly P1E statistical return already monitors the number of households in temporary accommodation in another local authority district. The Government is overhauling its data to provide much clearer insights into outcomes for individual households, including cases of repeat homelessness.
- 41. There is no geographic connection required by someone to make a homelessness application. However, where they are owed the main homelessness duty, a local authority may refer someone to another local authority with which they do have a local connection. Determining a "local connection" includes consideration of where someone is or was "normally resident" by choice, is employed, has family connections or special circumstances. The Local Government Association has produced guidance<sup>6</sup> on the procedures for such referrals and this includes guidance on a working definition of "normally resident". We have no plans for additional guidance.

<sup>6</sup> See Annex 18 of the Homelessness Code of Guidance for Local Authorities - <u>https://www.gov.uk/government/publications/</u> homelessness-code-of-guidance-for-councils-july-2006

### The service-user's perspective

### Recommendation 13: The Government should take steps to *encourage and facilitate the development of Positive Pathway schemes* across the country. (Paragraph 66)

- 42. The Government has already funded St Basils, a youth homelessness charity, to develop the Positive Youth Accommodation Pathway model, a flexible framework for local authorities and their partners to support young people to remain in the family home where it is safe to do so and offer tailored support options for those that cannot.
- 43. The Positive Pathway has proved an effective tool for authorities to re-work their services to target action upstream to prevent youth homelessness and roughly two thirds of areas have now adopted it. The Government has built on the learning from St Basils and published a set of similar prevention principles applicable to both single and family homelessness<sup>7</sup> in order to encourage the development of such approaches around the country. The Homelessness Prevention Programme aims to achieve an end to end approach to tackling homelessness, supporting areas to take a pathway approach to tackling homelessness, focusing on:
  - Universal prevention: timely support for all about housing and financial issues.
  - Targeted prevention: better identification of those at risk and providing early interventions.
  - Crisis relief: effective interventions and advice to resolve a crisis.
  - Recovery: accommodation and support targeted at helping people exit homelessness rapidly.
  - Move-on support: longer term support to sustain independent living.
- 44. As part of the Homelessness Prevention Programme, the Government will be developing a new repository of best practice in tackling homelessness which can be shared across the country.

Recommendation 14: As a Committee we are supportive of local authorities and the work they do. We understand the financial pressures they are under and the difficult choices they have to make. But treating someone as a human does not cost money. We have received too much evidence of councils and their staff treating homeless people in ways that are dismissive and at times discriminatory. This is unacceptable. *The Government should review and reinforce the statutory Code of Practice* to ensure it outlines clearly the levels of service that local authorities must provide and encourages regular training of staff to ensure a sympathetic and sensitive service. Services should put users first with a compassionate approach that gives individuals an element of choice and autonomy. (Paragraph 67)

45. The Government agrees that the statutory Homelessness Code of Guidance for Local Authorities should be updated. Changes to the law as proposed in the Homelessness Reduction Bill will require substantial amendments to the existing statutory Code of Guidance. Following enactment of the Bill, the Government will work closely with a range of stakeholders – including local housing authorities – to refresh the existing Code of Guidance. Not only will the new Code of Guidance set out how the new measures in the Bill work in practice, but it will also revisit and bring up to date the Guidance on existing legislation so that it better reflects best practice and case law.

<sup>7</sup> https://www.gov.uk/government/publications/homelessness-prevention-programme

- 46. Clause 11 of the Homelessness Reduction Bill (Codes of Practice) enables the Secretary of State to produce statutory Codes of Practice in addition to the Code of Guidance. Codes of Practice may be used to provide further provisions on how local housing authorities should deliver their homelessness and homelessness prevention duties. The power to issue Codes of Practice could be an important tool to raise the standards of homelessness support services across the country to those of the very best. When deciding where a Code of Practice is required, the Government will first look at evidence on whether local housing authorities are raising their service standards via other non-legislative means. Where it is clear that despite all other endeavours standards have not been raised to an acceptable standard, the Government will consider whether further improvement could be driven through such a Code.
- 47. The content and enactment date of the Codes of Practice would be decided by the Secretary of State but could include instructions covering the homelessness and homelessness prevention activities of local housing authorities.
- 48. As well as publishing a Code of Guidance, the Government has also provided Shelter with £2.5 million to run the National Housing Advice Service in partnership with the Citizens Advice Bureau. This service is for frontline homelessness officers to help them navigate complex legal issues so they make correct decisions and maintain high standards.

### Vulnerable groups and multiple complex needs

Recommendation 15: Given the prevalence of mental ill health among homeless people, especially those sleeping rough, it is essential that mental health support services maintain the flexibility needed to deliver effective treatment and that the sum of multiple needs is considered. We recognise that resources for many services are stretched and call on the Department for Communities and Local Government and the Department of Health to review the funding of mental health services for homeless people with a view to maximising their effectiveness at helping people out of homelessness as early as possible. We therefore call on the Government to produce a detailed action plan on how it intends to address the mental health needs of homeless people, including the delivery of outreach support to rough sleepers and assessing the vulnerability of applicants for homeless support. We see this as a priority for the cross-Departmental Ministerial Working Group and will be seeking an update in twelve months' time. (Paragraph 76)

- 49. The Government agrees with the Committee about the need for homeless people to receive services that meet their mental health needs. This is demonstrated within objective 6 of the NHS Mandate this sets out that 'vulnerable children, homeless people, veterans and people in places of detention should receive high quality, integrated services that meet their health needs'.<sup>8</sup>
- 50. Tackling mental health is a Ministerial priority. The Department of Health is represented on the Homelessness Ministerial Working Group, chaired by the Minister for Local Government, Marcus Jones MP. The Ministerial Working Group is working with other government departments to develop and drive forward a programme of work to address the underlying issues that drive homelessness. This covers both personal and economic factors including: ensuring a better response from mental health services for rough sleepers; closer joint working at a local level to improve accommodation for ex-offenders; and driving up employment and skills in order to equip people to be able to meet their housing costs. The Cabinet has also established an Inter-Ministerial Group (IMG) the IMG on Mental Health to tackle cross-government issues on mental health.
- 51. Mental health and wellbeing is at the heart of the new Homelessness Prevention Programme. The Government has allocated £10 million of funding for Social Impact Bonds which will provide support for some of the most complex and entrenched rough sleepers, including personalised mental health support. The programme will also incentivise reform to how services are delivered for homeless people and rough sleepers, and encourage partnership working between local services, including housing and health. The learning and evidence from this programme will then help inform future policy, which will be developed in partnership with the Department of Health and other government departments.
- 52. This builds on the work the Government delivered in the last Parliament. In order to help those people who have fallen through the gaps and have become entrenched in a life living on the streets, the Government supported an innovative new approach through a £5 million investment into the world's first Social Impact Bond (SIB) on rough sleeping. This SIB is turning around the lives of 830 of London's most frequent rough sleepers, and over half of the cohort has achieved accommodation, reconnection or employment outcomes. Case studies have shown the benefit this has had to their health and wellbeing.

<sup>8</sup> https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/494485/NHSE\_mandate\_16-17\_22\_Jan.pdf

- 53. On 5 October 2016, the Department of Health held a roundtable on mental health and homelessness for a wide range of stakeholders, including clinicians, commissioners, third sector organisations and research experts. The roundtable was chaired by Tim Kendall, the National Clinical Director for Mental Health at NHS England. The discussion considered what can be done to improve outcomes for people with mental health problems who are homeless, or at risk of becoming homeless. The Department for Communities and Local Government is further working with the Department of Health to better understand how we can encourage co-commissioning between health and housing services, to ensure there is adequate funding and services for this group.
- 54. The Government does not agree with the recommendation to review funding for mental health services for homeless people as it is already taking forward multiple actions to improve mental health support for homeless people, as set out above. These actions will develop new approaches to the mental health and wellbeing of homeless people.

Recommendation 16: Women who have been victims of domestic violence are particularly at risk of becoming homeless, and there is currently insufficient support to help them escape homelessness. We therefore call on Government to ensure that sufficient resources are available to meet the very real need. We also recommend that the Government review the level of refuges and hostel accommodation for single people and consider providing additional resources for further provision in areas of highest need. (Paragraph 80)

- 55. The Government agrees with the Committee that women who have been victims of domestic violence should be supported to get the help they require. The Government's Violence Against Women and Girls Strategy, launched on 8 March 2016, set out its ambition to improve services for victims of domestic abuse, dedicating £40 million of extra funding to support victims of domestic abuse, providing a bedrock of extra support, building on the £13.5 million provided in the last spending review. In addition to the funding, the Government is providing a package of non-financial support to local areas.
- 56. On 3 November the Government launched a £20 million two year fund for specialist accommodation-based support, and on 17 February 2017 the Government announced that 76 projects across the county will receive a share of the £20 million fund to support victims of domestic abuse, creating more than 2,200 bed spaces and giving support to over 19,000 victims. This builds on:
  - 2015/16 £3.5m funding to support 46 projects across the country to deliver 710 bed spaces and support for 3,798 victims of domestic abuse; and
  - 2014/16 £10m funding to 148 areas to maintain and strengthen refuge provision.
- 57. In providing this funding, the Government was clear that local areas are best placed to understand local needs for services and has devolved power and responsibility accordingly. It is the responsibility of local areas to assess the need for services for victims of domestic abuse within their local area and manage their budgets in a way that meets the need.
- 58. To meet this challenge, alongside the funding, the Government has published the new 'Priorities for Domestic Abuse Services', developed with partners from the domestic abuse sector, which sets out for the first time what local areas need to do to ensure their response to domestic abuse is as effective as it can be.

- 59. The Government has also published a National Statement of Expectations<sup>9</sup>, which sets out a blueprint for all local areas to follow on good commissioning and service provision to support better outcomes for victims suffering from violence and abuse more widely. This reinforces the importance of local areas bringing together local service providers, understanding local needs and commissioning accordingly, setting out clear leadership and accountability for delivery.
- 60. The Government is exploring with Women's Aid work to expand the UK Refuges On Line (UKROL) system to include a wider range of Violence Against Women and Girls services. Collecting data on services provided to victims on UKROL will help establish what is available, where it is and what the demand is, all of which is vital to inform current and future provision.
- 61. Because this provision is so critical, the Government will undertake a review after two years. If it is not reassured that the locally driven approach is having the intended effect then the Government will consider if moving to a national model of provision will improve the services. This will be considered alongside a new model for funding refuges, which will need to be developed to take account of the challenges faced from the changes to Housing Benefit from the rollout of Universal Credit.
- 62. The Government is going further to ensure access to refuges by launching a £100 million fund to deliver low cost 'move on' accommodation. Half of this funding is expected to be delivered by the Greater London Authority in London. The fund will deliver at least 2,000 places for people moving on from hostels and refuges, freeing up spaces for others who need them.
- 63. The Secretary of State for Work and Pensions announced in September the Government's plans for the future funding of the supported housing sector, including refuges. The Government will be deferring supported housing from the application of the Local Housing Allowance (LHA) rates in the social rented sector until 2019/20, when a new long-term funding model will be introduced. This will see core rent and service charges up to LHA rates provided through Housing Benefit / Universal Credit, with costs above this being met through a locally delivered top-up fund. This fund will be ringfenced and devolved to English local authorities, and will be set at the level that will maintain spending on supported housing in 2019-20 at the level it would have been in the absence of this policy, taking the policy on social rents into account. Equivalent amounts will be provided to the Scottish and Welsh governments.
- 64. The announcement also confirmed that the exemption of 1% social rent reduction requirement will be extended over the remaining 3 years for refuges. The Government acknowledges that Universal Credit poses particular challenges for refuges and other forms of shorter-stay supported housing, and a distinct model may be needed. The Government wants to work closely with the sector to arrive at a workable new model. Whilst the model may be different, funding for this type of accommodation will benefit from the same protections as supported housing in general. A consultation document has recently closed, and the Government is considering the responses on the design and implementation of a future funding model for supported housing.<sup>10</sup>
- 65. The Committee may also wish to note that the Government already provides additional help to people who have left their home because of a reasonable fear of violence, including to live in a refuge, and also retain a rental liability for their home which the wish to return to. In Universal Credit, provision has been made to enable claimants to receive support in respect of both the alternative accommodation and their home dwelling for up to twelve months.

Recommendation 17: Consideration should therefore be given by the Government to review the transition to independence [for children in care]. To help reduce the risk of homelessness for children leaving care, the Government should consider a policy whereby they should not be required to pay council tax until they are 21. (Paragraph 81)

- 66. Care leavers will have faced many challenges in their lives and are likely to need much more support than other young people as they make the transition to adulthood. The Government therefore recognises the importance of supporting young people from care to independence.
- 67. Care leavers already receive additional support and help to protect them from poverty. The Government has taken the following action:
  - Introduced Junior ISAs, providing children who have been looked after for 12 months with a £200 initial payment that they receive at age 18.
  - Given looked after children aged 16 and 17 and care leavers priority access to the 16-19 Bursary Fund, providing £1,200 per year to support participation in further education.
  - Placed a duty on local authorities to give care leavers a Higher Education Bursary of £2,000 if they are attending university.
  - Encouraged all local authorities to increase the leaving care grant to £2,000 or more. Around two-thirds now pay the recommended amount.
- 68. Local council tax support (and any local discount) is a matter for local authorities, who must consult with local communities on their proposed schemes for support. The Government has given councils wide powers to design council tax support schemes which protect the vulnerable. It is for local authorities to ensure that the effect on the council tax payers in such groups is proportionate and fair. For example, North Somerset Council has taken the decision that its care leavers should not have to pay Council Tax until they reach age 22. The Care Leavers Strategy highlights that the Government will encourage all local authorities to consider how they can support their care leavers like this, using the flexibilities at their disposal.
- 69. Young people leaving care should be better prepared and supported to live independently. The actions that we will undertake in order to achieve this include:
  - Setting out in law for the first time what it means for a local authority to be a good corporate parent;
  - Introducing a new legal duty on local authorities to consult on, and publish information about, services and support for care leavers, including both care leavers' statutory entitlements and other discretionary support that local authorities provide;
  - Creating a new care leaver covenant, which will provide a way for central government departments and organisations from the public and private sector to set out how they will support care leavers' transition from care to independence; and
  - Extending existing entitlements so that all care leavers will be able to access support from a local authority Personal Adviser to age 25.
- 70. The Government is supporting Bob Blackman's Private Members' Bill which enhances duties to care leavers under the homelessness legislation. Local housing authorities will be required to provide advice and information about homelessness tailored to care leavers' needs, and act earlier to help care leavers who are homeless or at risk of homelessness. It will also clarify local connection rules to make it easier for care leavers at risk of homelessness to get help in the area they consider home.

71. The Department for Communities and Local Government and the Department for Education jointly fund youth agency St Basils to provide expert advice to local authorities about designing services to support care leavers successfully through their transitions to independence. This support is based on a specially designed Care Leavers Accommodation Framework, developed by St Basils and Barnardos in conjunction with Ofsted, local authorities and specialist agencies.

#### **Cross-Government working**

Recommendation 18: On the strength of what we have learned throughout our inquiry, we have concluded that the scale of homelessness in this country is such that *a renewed*, *cross-Departmental Government strategy is needed*. We support the view expressed by Howard Sinclair, Chief Executive of St Mungo's that "Homelessness is everyone's issue and it is not inevitable". All Departments need to contribute to the ending of homelessness by subscribing to a common approach. We heard much evidence that this is not the case currently. Jon Sparkes from Crisis told us that "there is very little evidence that the influence of DCLG is spreading to the other Departments". We agree. (Paragraph 90)

- 72. The Minister for Local Government, Marcus Jones MP, chairs the Homelessness Ministerial Working Group, which leads on ensuring that policies across Government are joined up to tackle homelessness. A range of Departments are represented on the Group, including the Department for Work and Pensions, the Ministry of Justice, the Department of Health, the Department for Culture, Media and Sport, the Home Office, and the Department for Education. The Group has been very effective in bringing homelessness to the forefront of Departments' agendas and has received strong support from Ministers across Whitehall. The Ministerial Working Group is driving a programme of work to address the underlying issues that drive homelessness, covering both personal and economic factors including ensuring a better response from mental health services for rough sleepers; closer joint working at local level to improve accommodation for ex-offenders; and driving up employment and skills in order to equip people to be able to meet their housing costs.
- 73. The forthcoming Drug Strategy will set out the Government's ambition to tackle drug misuse and the cross-cutting approach needed to address the complex challenges that continue to emerge. This includes those who are homeless and may be at greater risk of misusing drugs, particularly the use of dangerous new psychoactive substances. The Strategy will also build on the critical role that stable housing plays in supporting and sustaining recovery from dependence.

Recommendation 19: The Government should exempt all supported accommodation schemes from the proposed rent cut so that those with multiple complex needs can continue to receive the help they need from these vital services. The outcomes of the current review of supported accommodation should be announced as soon as possible in order to give providers the certainty they need to plan ahead and deliver services. (Paragraph 93)

- 74. The Government is committed to protecting the most vulnerable. That is why it has exempted supported housing from the Local Housing Allowance rates until 2019/20, from which point it will bring in a new funding model which will ensure that the sector continues to be funded at current levels, taking into account the effect of Government policy on social sector rents. The Government has also confirmed that the rent reduction will be applied to supported housing, with the exception of domestic violence refuges, with rents in these properties decreasing by 1% a year for 3 years, up to and including 2019/20.
- 75. The Government's social rent reduction policy was based on the need to put welfare spending on a sustainable footing whilst protecting the most vulnerable. It is right that supported housing providers make the efficiency savings being asked of the whole social housing sector, and that's why the 1% rent reduction will apply to the majority of them. In exceptional circumstances, supported housing providers (as for general needs social sector providers affected by the policy) who feel that compliance with the social rent reduction policy would result in serious financial difficulty or jeopardise their financial viability, can apply for an exemption from the requirement. Not all supported housing is funded by housing benefit, so for some tenants a 1% rent reduction will be good news. A consultation on future funding for supported housing has recently closed, and the Government is considering the responses received. The Government wants to work with the sector to develop the detail that underpins the new funding model and give providers the certainty they need.

Recommendation 20: It cannot be right that someone must choose between the support they need and employment. To encourage homeless people to view employment as their route into independence and stability, support and rent costs should be separated and the Government should consider allowing housing benefit to be used for support costs for a short period of time or make available additional funding to facilitate the transition from homelessness to employment and independent living. (Paragraph 97)

- 76. Housing benefit, and Universal Credit, can only cover rent and eligible service charges (in the social sector and supported exempt accommodation); or the lower of housing costs or the relevant local housing allowance (in the private sector).
- 77. Support costs cannot usually be covered by welfare benefits, unless they also meet the definition of an eligible service charge. Both Housing Benefit and Universal Credit are in-work and out-of-work benefits, so can continue to be paid if the claimant starts work with the income from employment taken into account at the relevant taper rate. The introduction of Universal Credit means that people are working more and are better off in work. The Government does not consider changes are needed to the current provisions.

#### Recommendations 21, 22 and 23 - legislation

Conclusion 21: We agree with the Minister's assessment of the abolition of the priority need categories in Scotland. The Scottish housing market is significantly different to that in England, with, for example, a more stable private rental sector. For this reason, we do not advocate abolishing the priority need criterion. (Paragraph 101)

Conclusion 22: We look forward to hearing from the Department on its assessment of the Welsh legislation in twelve months, including both on strengthening the duty to prevent homelessness and on measures to address applicants who are deemed to have behaved unreasonably. (Paragraph 106)

Recommendation 23: A vital component in addressing homelessness is making sure that the support given to those at risk of homelessness and to those who are not in priority need, is meaningful. We heard regularly that many councils are doing their best to house those in priority need, while those not in priority need receive unacceptably variable levels of assistance. We therefore support the Homelessness Reduction Bill 2016–17 sponsored by Mr Blackman and urge Government to support the legislation. The Government should introduce statutory monitoring of local authority housing departments to ensure they meet the requirements of a revised Code of Guidance that outlines service levels to ensure that every homeless person receives the support they need. (Paragraph 107)

- 78. On 24 October 2016, the Government announced its support for Bob Blackman's Private Members' Bill, the Homelessness Reduction Bill. The Minister for Local Government, Marcus Jones, MP, has since announced £61m of new burdens funding for local housing authorities to implement the Bill. The Bill has now completed its passage through the House of Commons and had its Second Reading in the House of Lords on 24 February 2017. The Bill places duties on local housing authorities to intervene at earlier stages to prevent homelessness in their areas. It requires local housing authorities to provide new homelessness services to all those affected, not just those who are protected under existing legislation.
- 79. The Government is also looking closely at the lessons being learned from similar legislation introduced in Wales in April 2015. It will be important to understand how the Homelessness Reduction Bill can be implemented successfully and to ensure that local housing authorities are able to manage the transition to prevention for all, subject to the Bill receiving Royal Assent.
- 80. Changes to the law as proposed in the Homelessness Reduction Bill will require substantial amendments to the existing statutory Homelessness Code of Guidance. Following enactment of the Bill, the Government will work closely with a range of stakeholders including local housing authorities to develop a revised and expanded Statutory Code of Guidance.
- 81. The Government is also driving good performance through non-legislative means. These include the Homelessness Prevention Programme, establishing a network of Homelessness Advisers, making improvements to data to increase transparency, and holding local housing authorities to account. The Government therefore does not agree that statutory monitoring of local authority housing departments should be introduced. Through improved data collection and a network of advisors the Government will have a greater understanding of local performance.

Recommendation 24: In this report, we have called on Government to ensure that there is effective oversight and monitoring of local authorities. We recognise the pressures that councils are under and applaud the positive work that is taking place. However all homeless people deserve to receive the best possible support. In particular we would like to see monitoring of the quality of customer service in housing teams, the frequency of out of area placements and the process followed when housing families away from their home. This would most effectively be done by the Government, but we do not rule out the Committee seeking assurances directly from local authorities that our concerns are being met. (Paragraph 108)

- 82. The Government agrees with the Committee that all homeless people deserve to receive a consistent and effective service. Local housing authority staff should be trained so that they can correctly apply the law and ensure that households receive the best possible support. The law clearly sets out which duties authorities are required to carry out and the statutory Code of Guidance provides further information.
- 83. To guard against mistakes and poor practice, Parliament built a strong set of protections for applicants into the Housing Act 1996. Applicants are able to request a thorough and robust review of the important decisions that affect their journey through the system, such as whether key duties to accommodate them are owed, and whether the accommodation offered to them is suitable. The Government has also prescribed how those reviews must be conducted so as to further guard against potential abuses. The legislation also allows applicants the opportunity for an appeal in the County Court on a point of law if an applicant is dissatisfied with the review decision.
- 84. These protections equally apply for when out of district moves occur. In addition there are specific measures relating to moves. The legislation is clear that authorities must, as far as is reasonably practicable, secure accommodation within the district. If they are unable to do this then they must also take into account a number of key factors and their impact on the applicant and their household. Authorities must take into account all of the following:
  - The distance of the accommodation from the original home;
  - The significance of disruption to employment, caring responsibilities or education;
  - The proximity of the accommodation to medical services or other support which the household access and are essential to their well-being; and
  - The proximity and accessibility of the accommodation to local services, amenities and transport.
- 85. Issues relating to location can be reviewed as part of review of suitability.
- 86. If authorities do place a household in another district they must also inform the receiving authority in writing when the person moves and supply details of the people forming the household.
- 87. Amendments to the Act in 2012 introduced a new duty that means that households made a Private Rented Sector offer are owed an automatic re-application duty. This means that within two years of placement if a household becomes homeless through no fault of their own they are automatically owed the main homelessness duty again. National statistics capture the number of out of district temporary accommodation placements.
- 88. The Government recognises that some authorities do not always meet the standards of the best and is putting in place a number of programmes and policies that will address the issues the Select Committee have identified. The £20 million Homelessness Prevention Trailblazers will accelerate reform in local housing authorities, building on good practice, giving local housing authorities additional resource to go further and faster in their efforts to prevent people from becoming homeless. The Trailblazers will enable areas to be brought to the level of the best through a bank of good practice and learning for a prevention database.

89. Furthermore, the Department for Communities and Local Government is establishing a team of homelessness advisers who will be responsible for supporting local housing authorities in their work to implement the Homelessness Reduction Bill and for providing support and challenge to help authorities improve their practice and performance.

