

Submission:

Homelessness Reduction Act 2017: call for evidence

14 October 2019

The National Housing Federation welcomes the chance to respond to this Call for Evidence. Our members have reported positive outcomes since the implementation of the Homelessness Reduction Act, including better access to information for tenants, prevention of evictions and stronger working relationships for local partners.

Our key recommendations are:

- The Act would be much more impactful if it were properly resourced. The level of burdens funding allocated to local authorities needs to be determined by evidence of actual costs submitted by local authorities.
- The Act must be strengthened for those at immediate risk of rough sleeping and those with complex needs. It should be amended to guarantee the right to a safe place to stay for those at immediate risk of sleeping rough.
- The Government should carry out a review of the duty to refer. This may lead to additional public authorities being included in the duty, and potentially result in a new duty to co-operate, to improve collaboration between partners. The sector would also like to see a single referral form used across local authorities. More broadly, Government must tackle the root causes of homelessness – lack of supply, welfare and support. Next year's spending review should address:
 - Housing associations need £12.8bn a year to build 145,000 affordable and social rented homes a year for 10 years.
 - Local housing allowance should be restored to the 30th percentile, the benefit cap should be reformed, and Government should end the five-week wait in Universal Credit.
 - The Government should ringfence housing-related support and restore funding to 2010 levels, when £1.4bn was allocated to local authorities in England.

1. Introduction

The National Housing Federation is the voice of England's housing associations. Our members provide two and a half million homes for more than five million people. The sector has always had a large part to play in preventing homelessness and supporting those who have experienced it, and welcomed the introduction of the Homelessness Reduction Act (the Act) in 2018.

We have developed our response with members of the Federation's National Homelessness Steering Group. This response is based on our members' experiences of the Act, both in providing services and accommodation to homeless households, operating the voluntary Commitment to Refer and their wider work to prevent homelessness.

Since 2007, housing associations have housed almost 360,000 households made statutorily homeless from other tenures. They have also housed additional 18,000 'other' homeless people in the same period, mostly in supported housing.¹

Housing associations provide 76% of all supported accommodation for single homeless people, 75% of accommodation for people with drug and alcohol misuse needs, 73% for those at risk of domestic abuse, and 66% for homeless families².

Our recent analysis has shown the extent of the housing crisis in England:

- 8.4m people in housing need, of which 3.6m would have their needs best met by social rented homes.
- There are 406,000 people currently homeless or at risk of homelessness³.
- We need 145,000 new affordable homes built each year to tackle this crisis, including 90,000 homes for social rent.
- To build the homes needed, we need £12.8bn of investment per year from the Government⁴.
- At current build rates, new homeless families outnumber new social homes by 8 to 1⁵.

Without serious investment now in social housing, many more people will suffer due to a lack of suitable homes, and the homelessness crisis will only worsen.

As housing associations do not have any statutory duties under the Act, we are unable to provide detailed answers to some of the questions posed. Our response will therefore cover the key themes that have emerged in our research with members, they are:

- Resource and funding of the Act
- Working with local authorities
- The Commitment to Refer
- The Act's ability to prevent homelessness

¹ CORE data, MHCLG, 2016/7 and 2017/18 releases

² DWP and DLCG (2016) Supported Accommodation Review

³ 'How many people need a social rented home?', NHF briefing, 2019

⁴ http://s3-eu-west-1.amazonaws.com/files.ciw.housing.org.uk/Lets_end_the_housing_crisis.pdf

⁵ <https://www.housing.org.uk/press/press-releases/new-homeless-families-outnumber-new-social-homes-by-8-to-1/>

2. Resource and funding of the Act

Our members have told us that, overall, the Act is not properly funded in their local areas. Although more people can access advice and support, there is simply not enough new money for a meaningful level of enhanced provision.

Research by the New Economics Foundation reports that 67% of senior council figures believe they have insufficient resources to fulfil their new duties. The new burdens funding, specifically for administration of new duties, calculated for an increase in caseload of 25%. However, Office for National Statistics (ONS) data shows that assessments per quarter have roughly tripled in reality⁶.

This is felt particularly in London. London Council's research shows that the additional funding for new burdens only meets 39% of associated additional costs⁷. The cost of homelessness prevention and relief cases in London is £2,500 per case, this is almost five times higher than the £530 estimate used by the government to determine funding levels. While the Government provided London boroughs with £30.2m worth of new burden funding over three years, London Council's analysis shows that additional duties associated with the act are more likely to cost London boroughs £80.9m over six years, creating a shortfall of £50.8m.⁸ **To tackle homelessness, the level of burdens funding allocated to local authorities needs to be determined by evidence of actual costs submitted by local authorities.**

In addition to the issue of resourcing, our members pointed to other key pressures local authorities are facing which are hampering their ability to meaningfully reduce homelessness. The Government must also tackle the structural issues which cause homelessness.

3. Working with local authorities

The sector welcomed the introduction of the Act in 2018 and supported the need for collaboration and partnerships. Given the resource constraints, much of the success of the Act has been dependent on pre-existing working relationships. Where existing relationships between local authorities and partner organisations are strong, the impacts of the Act have been felt most positively. For example, in Manchester, Riverside housing association reported that the changing practices of the local authority, as a result of the Act, have been linked to better connection of available services to those in need. This has had far-reaching effects and has been linked to reducing time spent sleeping rough.

However, some members report a mixed experience working with local housing authority partners. While some have succeeded in embedding the Act into their strategies and service delivery, some of our members have found that there is a lack of knowledge at local authority level.

⁶ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/ukhomelessness/2005to2018>

⁷ Councils in Crisis, Local Government Austerity, *New Economics Foundation, 2019:*
https://neweconomics.org/uploads/files/NEF_Local_Government_Austerity_2019.pdf

⁸ <https://www.insidehousing.co.uk/news/government-severely-understated-cost-of-homelessness-reduction-act-say-london-councils-63662>

For example, one specialist homelessness housing association shared that they are still seeing cases where their customers are being advised by local authority housing teams that they cannot 'present' until the day of eviction from current accommodation. There has also been a lack of response in relation to the need for a housing assessment. At the time of writing, they were also providing accommodation for a pregnant young person housed inappropriately, with no move-on plan from her local authority, despite frequent requests for one. However, it should be noted that the sector recognises that the Act is insufficiently resourced and that issues that occur at the local authority level are in the main part due to low levels of burdens funding.

The Act is also about encouraging new collaboration and partnerships. While these have long existed across the housing sector, the Act gives new impetus to strengthening these relationships and identifying new, joint solutions to tackling homelessness. The report [Working Together to end Homelessness](#),⁹ published by the National Housing Federation and Local Government Association, outlines some of the partnerships that have emerged since the Act. It also illustrates the kind of partnerships that the Act encourages.

4. The Commitment to Refer

Housing associations do not come under any statutory duties in the Act. While the sector was not subject to the Duty to Refer, the National Housing Federation and its members were keen to formalise their support and help their local authority partners to deliver the Act. Working with the sector and MHCLG, the Federation developed a [Commitment to Refer](#) and to date 230 Housing Associations have signed up, representing over 2 million homes.

This voluntary commitment works alongside the Duty to Refer, and commits housing associations to refer individuals or households to local housing authorities, if they are homeless or at risk of homelessness.

The large majority of our members already operated in this way before the Homelessness Reduction Act came into force. The Commitment was therefore a public statement formalising that process and cementing housing associations' participation in the implementation of the Act. An evaluation of the Commitment to Refer is currently underway to assess the effectiveness of the process and understand the experiences of landlords who have been following the Federation's guidance on referrals of those at risk of homelessness.

4.1 Referrals

Early findings from the Federation's evaluation of the Commitment to Refer show evidence of evictions being prevented through referrals made to the local housing authority. However, members have also reported that some local authorities still lack the capacity to handle referrals. Where referrals are taken, members are often unable to get an update on the processing status of a referral.

⁹ http://s3-eu-west-1.amazonaws.com/img.housing.org.uk/5_61_Housing_associations_and_local_authorities_working_together_04_web.pdf

They also report that there could be stronger collaboration in the development of Personalised Housing Plans.

In addition to this, members also raise the issue that different local authorities use different referral forms. **The sector would like to see a single referral form used across local authorities.** In particular, this would improve the process for housing associations and public authorities that work across multiple local authority areas.

The issue of consent within the Duty and Commitment is the most common challenge that our members raise. Many tenants struggling with rent arrears also struggle to engage with support and there is a concern that those who would most benefit from a referral, are unable to be referred due to the conditions around consent.

We also heard from members that the Duty to Refer did not go far enough in enabling partnership working between local authorities, other public bodies and community organisations to properly tackle homelessness. But there are some examples where local areas have gone above and beyond in their delivery of the Duty/Commitment. For example, housing associations in the West Midlands have developed a voluntary Commitment to Collaborate as part of the West Midlands Combined Authority Homelessness Taskforce. This structured form of collaboration enables better partnership working across different parts of the housing and homelessness sector.

The Federation recommends that the Government undertake a full review of the Duty to Refer. This may lead to additional public authorities being included in the duty and potentially result in a new duty to co-operate to improve collaboration between partners. Given that the Federation is currently completing an evaluation of the Commitment to Refer, we will be able to share learnings from that which may help the Government shape its own review.

5. The Act's ability to prevent homelessness in all its forms

Our members report some positive stories as a result of the Act, both in relation to good quality advice received by tenants and in terms of evictions being prevented after a referral.

The Act's ability to prevent homelessness is explored throughout this response. However, our members that deliver specialist homelessness services raise particular concerns that the Act is failing to make a real difference to those at immediate risk of rough sleeping.

Evidence from the Combined Homelessness and Information Network (commissioned by the Greater London Authority (GLA) and managed by St Mungo's), shows that from August 2018 – July 2019, 45% of British people who used the London No Second Night Out service for new rough sleepers had approached their council for help in the 12 months before they started sleeping rough.

Without an improved service for those at immediate risk of sleeping rough, the Act will fail to reach its aims. **The Act must be strengthened for those at immediate risk of rough sleeping and those with complex needs. It should be amended to guarantee the right to a safe place to stay for those at immediate risk of sleeping rough.**

5.1 The impact of welfare reform on homelessness

Welfare reform measures continue to be linked to rising levels of homelessness. The overall benefit cap pushes children into poverty, leaves families struggling to pay rent and means that so-called Affordable Rents are not affordable for larger families. The freeze on Local Housing Allowance is causing an affordability crisis in the private rented sector and increasing demand for social housing even further. Recent research from the Federation shows that more than nine in ten homes for private rent (94%) are too expensive for those on housing benefit. Two thirds of these families (65%) are in work.¹⁰ **Along with partners in the housing and homelessness sector, we are calling on the Government to end the freeze on Local Housing Allowance rates, re-aligning housing benefit to the 30% most affordable properties in any given local area.**

Our members also report the challenges caused by the introduction of Universal Credit and the shift from local authority administration of benefit to cover housing costs. According to our last quarterly survey of members, tenancies using Universal Credit are more likely to be in arrears (65%) than those paid by other means (39%).¹¹ **In partnership with the housing association Federations of Scotland, Wales and Northern Ireland, [we are calling on Government to deliver on six asks to fix Universal Credit](#), including better data sharing between DWP and social landlords to allow problems to be picked up earlier.**¹²

Finally, the vital support services provided by supported housing, like homeless hostels, sheltered housing and domestic abuse services are operating with reduced funding. Spending by councils on housing-related support services is estimated to have reduced by 69% between 2010 and 2017.¹³ Despite this, supported housing saves the public purse around £940 per resident per year.¹⁴ If Government is serious about homelessness prevention, it must invest in these services with help people to stay in their tenancies with access to tailored support. **Government should ringfence housing-related support and restore funding to 2010 levels, when £1.4bn was allocated to local authorities in England.**

There are many other factors that play into the housing and homelessness crisis. But for Government to really make an impact on ending homelessness, supply, welfare, and support are three key policy areas that need urgent investment. Without this, the Homelessness Reduction Act will fail in its aims, as there will simply not be enough affordable housing and support available for those who need it.

¹⁰ <https://www.housing.org.uk/press/press-releases/housing-benefit-freeze-9-in-10-homes-unaffordable-for-families/>

¹¹ Universal Credit Survey Results: Q4 2018/2019, National Housing Federation (unpublished)

¹² <https://www.sfha.co.uk/our-work/policy-category/social-security/sub-category/six-asks>

¹³ The National Audit Office (2018) Financial sustainability of local authorities 2018 <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-localauthorities-2018.pdf>

¹⁴ Frontier Economics, Financial benefits of investment in specialist housing for vulnerable and older people, 2010, available at: https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Other_reports_and_guidance/Financial_benefits_of_investment_in_specialist_housing_FINAL.pdf

6. Conclusion

In conclusion, the Federation welcomes the Act and its members have reported some positive outcomes since its implementation, including better access to information for tenants, and in some cases, prevention of evictions and stronger working relationships for local partners.

The Act would be much more impactful if it were properly resourced with a level of burdens funding that meets the needs of the caseloads experienced by local authorities across the country. In addition, the Act should focus on supporting those with the most complex needs or in immediate risk of rough sleeping. The Government should carry out a review of the duty to refer, this may lead to additional public authorities being included in the duty and potentially result in a new duty to co-operate, to improve collaboration between partners.

More broadly, Government must tackle the root causes of homelessness – lack of supply, welfare, and support. Next year's spending review is a key opportunity to do this.

Housing associations need £12.8bn a year to build 145,000 affordable and social rented homes a year for 10 years. We need a welfare system that covers the cost - local housing allowance should be restored to the 30th percentile, the benefit cap should be reformed, and Government should end the five-week wait in Universal Credit.

If MHCLG would like to further discuss any of the issues raised in this response, the Federation can be contacted at homelessness@housing.org.uk