

# Shelter

## Homelessness Reduction Bill: Report and Third Reading

### 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.

### Key proposals provided by this Bill include:

**Extending the period an applicant is "threatened with homelessness":** Currently, a council should accept you as homeless if it's likely that you could lose your home within the next 28 days. This applies if you're a tenant being evicted or if you're a homeowner threatened with repossession by your 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 (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 amendments made at Committee

- **Clause 1**

At Committee Stage 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 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 no longer helps to resolve the practice of tenants being asked by local authorities to stay in their property until the bailiffs come.

The older version of Clause 1 amended the **definition of homelessness** to apply to households who have been served a notice seeking possession. 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 reiterates that a person should be treated as homeless at the expiry of the notice, councils could continue to flout this as they do now.

## Key amendments to be debated at Report Stage

- **Clause 7**

The Government is bringing forward an amendment to Clause 7 which introduces consequences for those in priority need who refuse a suitable offer of accommodation at relief stage: **“193ZA Consequences of refusal of final accommodation offer or final Part 6 offer at the initial relief stage”**.

The amendment means that no further assistance would be offered to those who refused a suitable offer of accommodation at relief stage (although there is a right to a review of suitability). This is a reduction in outcomes for those in priority need, who are currently entitled to a two year rehousing duty (with a minimum 12-month tenancy) under the main duty.

Importantly, Clause 7 has retained the 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 this position 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 do not believe that 6 months is long enough to ensure stability** and could lead to repeat homelessness and moves further out of area.

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 remain 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

## 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

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. This assumes a successful reduction in homelessness which is unreasonable to predict. **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.**

It is likely that homelessness will rise in the next few years. By far the largest cause of homelessness is people being unable to find somewhere else to live when their private tenancy ends. The Bill does nothing to solve this problem.

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 will again be threatened with repeat homelessness. But by then, the funding available to respond to all this will be gone.

**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).**

- **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 have endorsed the call of the Local Government Association for the Government to commit a review of the Bill's impact two years after implementation, to assess whether the legislation and implementation funding is delivering on its ambition to improve services, options and outcomes for people threatened with homelessness. **However, we are not persuaded that securing this commitment via primary legislation is the most sensible approach and we urge members to be mindful of the time constraints of private member's bills.**

## 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.**

Measures we believe the Government must take to increase the affordability and availability of homes include:

- **Reverse the freeze on Local Housing Allowance rates:** Housing benefit to tackle affordability problems is the most important tool in preventing homelessness. If the current freeze on Local Housing Allowance rates continues, by 2020 families in four-fifths of the country could face a gap between the support they need to pay their rent and the maximum support they are entitled to. Some 330,000 working families are likely to be affected. In order to help the many private tenants who could be at risk of homelessness because of the freeze, the Government must review Local Housing Allowance rates and ensure that housing benefit reflects actual housing costs. This would go a long way to reducing homelessness, putting less strain on council resources and giving them more scope to help people keep their homes or find an alternative.
- **An indefinite suspension of the forced sale of high value council homes in areas with high levels of homelessness:** 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 recently 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.

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