CIH submission to MHCLG’s Homelessness Reduction Act 2017 Call for evidence

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals and their organisations with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: www.cih.org

CIH contact:

Faye Greaves, policy and practice officer
Faye.Greaves@cih.org
CIH submission to MHCLG’s
Homelessness Reduction Act 2017
Call for evidence

Introduction and summary
CIH welcomes the opportunity to respond to this Ministry for Housing, Communities and Local Government call for evidence on the impact and implementation of the Homelessness Reduction Act 2017 (HRA).

CIH remains extremely supportive of the aims of the HRA. The new legal framework represents a positive shift towards more pro-active, person-centered and meaningful assistance for wider groups of people than our previous system required. It is the view of CIH that broadly, the HRA has had a range of positive effects:

- It has encouraged a culture of prevention where people are treated with more compassion and respect.
- It acts to nudge local authorities to see the bigger picture of homelessness and identify ways to intervene sooner. It encourages shared responsibility towards achieving this by instilling the importance of partnership working via the duty to refer.
- The new framework is accompanied by an improved system for recording data relating to those who approach their local authorities for homelessness assistance, therefore providing a more realistic reflection of homelessness.
- It strengthens the existing statutory safety net for people at risk of homelessness or who are experiencing homelessness.

There is no doubt that the introduction of the HRA is a positive step, and there is already evidence that its effects have largely been beneficial (Homelessness Monitor: England 2019). However, it is unlikely to have sustained impact and achieve its true potential unless central government acknowledges that a combination of welfare cuts and policies, as well as the significant decline in local government grant funding, are undermining the intended aims of the Act.

On order to ensure the Act’s aims are fully realised, CIH believes that an overarching national homelessness reduction strategy, that includes the rough sleeping strategy, is required. This would drive the type of action needed to improve services and interventions that support people when they are most in need and deliver better outcomes for them.

The overarching principle of the HRA to provide more meaningful help to more people, and sooner, to prevent as many people from experiencing the devastation of homelessness as possible, relies on a local culture that ensures services are delivered in the true spirit of the Act. Ensuring there is funding for training and building a workforce that is wedded to the HRA’s underlying aims will be a crucial factor in whether it has a genuinely positive and long-term impact.
CIH submission to MHCLG’s Homelessness Reduction Act 2017 Call for evidence

This submission raises wider policy barriers to achieving the HRA’s potential that are not directly within the scope of the consultation. The issues addressed, however, are relevant to the following broad areas being explored via the call for evidence:

1. The impact the Act has had and the outcomes that are being achieved
2. How the Act has changed the approach of local housing authorities and their partners to tackling homelessness and supporting those in need
3. How the implementation of the Act has been resourced

Wider policy barriers to reducing homelessness
Current efforts to reduce homelessness, by local authorities and their partners, are being hindered by a range of housing and welfare policies, and cuts to grant funding for local authorities. While these challenges are not the subject of this consultation, central government must address the effects of the wider policy issues set out below, if any long-term plan to reduce homelessness is to succeed.

National policy affects the extent to which local authorities can develop and deliver solutions to homelessness. Evidence submitted by Crisis Chief Executive, Jon Sparkes, at the Communities and Local Government Select Committee evidence session on the impact of the Homelessness Reduction Act 23 April 2019 highlights that, while the Act has improved the experiences of people seeking homelessness assistance from local authorities in England, it has not improved solutions to address their housing difficulties.

A recent CIH member survey showed that the main challenge faced by local authorities is supporting access to decent and affordable rented accommodation. These challenges are exacerbated by an undersupply of homes to let at social rent levels and the shortfalls between entitlement to help with housing costs and actual rent levels, which affects thousands of households.

Supply of affordable homes for rent
It is difficult to envisage how any plan to reduce homelessness can succeed without ensuring there are enough homes to let at social rent levels – a key requirement set out by Crisis in their evidence-based plan to end homelessness in Great Britain.

Research indicates we need at least 340,000 new homes a year and 90,000 of these each year need to be homes to let at social rent levels, but in 2017/18 only an additional 6,810 were provided (including 347 London Affordable Rent homes).
At the same time, we are losing too many of our most affordable homes through a combination of right to buy sales, demolitions and conversions from social to affordable rent. Our analysis shows that we have already lost more than 165,000 social rented homes since 2012 and this is set to rise to almost 199,000 by 2020 unless we see significant policy change.

To stem the loss of the homes we need the most, CIH calls on Government to suspend the right to buy. Evidence collected by the Local Government Association (2019) reveals that, since 2011/12, councils have “only been able to replace nearly a fifth of homes sold, impacting on their ability to provide housing for homeless and vulnerable families”.

We also continue to urge Government to rebalance its housing investment programme. Currently, funding is far too heavily skewed towards the private market and homeownership. Analysis conducted for our recent UK Housing Review Autumn briefing paper highlights that only 26 per cent of total funding up to 2022/23 is earmarked for affordable housing, which includes affordable rent and affordable homeownership products.

We have joined the National Housing Federation, Shelter, Crisis and the Campaign to Protect Rural England to call on Government to invest in a 10-year capital grant funding programme, equivalent to £12.8billion each year, to deliver almost 1.5 million new homes with at least 90,000 of these being homes for social rent each year. Doing this would solve our housing crisis in a decade.

**Welfare policy**

A range of welfare policies are placing too many households at risk of homelessness. The evidence on the link between entitlement to help with housing costs and rising homelessness levels is strong. Our research with the University of Sheffield found that 84 per cent of local authorities and 70 per cent of housing associations feel that changes to national welfare policy is impacting negatively on partnership working to tackle homelessness.

CIH urges Government to realign local housing allowance (LHA) rates to market rent levels in the lowest 30th percentile, which is in line with Government’s original LHA policy aims. Our analysis highlights that the gap between LHA rates and actual market rents has grown significantly since reforms placed a cap on uprating in 2010 and then the four-year freeze to rates since 2016. People who rely on LHA to help pay their housing costs are being limited to a declining proportion of the market – the bottom 5-10 per cent in many areas and, in areas of highest housing pressure, there are no properties available to let at LHA rates at all. Our analysis has been
widely shared in Crisis’ Cover the Cost report, which forms the basis of their #CovertheCost campaign. Recent research conducted by the Bureau of Investigative Journalism found that 94 per cent of properties to rent in the private rented sector across Britain were unaffordable to people in receipt of housing benefit.

We also ask Government to scrap the benefit cap after the most recent official figures showed that more than 40 per cent of the 53,000 households affected are losing more than £50 a week. This means that thousands of families are struggling, with many going without food or heating, so they can pay for their housing, or they are falling behind with their rent and facing homelessness.

The discretionary housing payment (DHP) scheme is insufficient to provide additional support with housing costs to the extent required to help people avoid homelessness. Our analysis of DHP allocation and spending of funds since 2013/14 (more information available on request) reveals that whether councils underspent or topped up their allocation, homelessness has grown in almost one out of two local authority areas. Based on temporary accommodation and statutory acceptance figures over the last five years, we found that homelessness had increased in:

- 60 of the 126 (48 per cent) local authorities that consistently underspent all or most of their DHP allocations for the last five years
- 34 of 79 (43 per cent) authorities that had never underspent, had mainly topped up, or had spent close to their full allocation for the last five years

These findings suggest that DHPs are an inadequate substitute for an effective system of help with housing costs based on clear and transparent, nationally set rules. CIH therefore believes Government should review the DHP scheme’s ability to target additional help with housing costs at those who need it the most.

**Impact of local authority funding cuts**

Central government funding programmes have significant power to bring partners together, but their associated incentives and levers are being undermined by the depth of cuts to the general revenue support grant they allocate to local governments across England. This reduction in funding, especially in areas of disadvantage - where councils are less able to rely on income via business rates and council tax – means that prevention focused services are being lost, to prioritise more expensive statutory activity (New Policy Institute, 2018). Any joint efforts to reduce homelessness cannot compensate for this significant loss of resource.

A recent Local Government Association report highlights the concerns being raised, by local authorities, about the impact of reduced investment in support services that help to prevent homelessness, because of declining levels of local authority general revenue support grant funding from central government. A recent report by St
Mungo’s and Homeless Link highlights that, since 2010, local authorities have spent £5 billion less on services for single homeless people. Last year’s report by the New Policy Institute, confirmed that local authorities most reliant on Government grant are having to make difficult budget decisions as a result of cuts to their funding and this is diverting investment away from housing support and prevention-focused services.

Our Tackling homelessness together research with the University of Sheffield highlights growing “concerns around letting homes to applicants characterised by socioeconomic exclusion, homeless households with multiple/complex needs, or otherwise vulnerable”, with approximately 51 per cent of local authorities and 50 per cent of housing associations citing ‘unmet support needs’ as one of the main reasons they would reject a nomination of a homeless household, compared with 17 per cent in 2007.

Our more recent Rethinking allocations study echoes the concern among local authorities and housing associations in England that the cuts to funding for support services are having a detrimental affect on their ability to house those most in need of social homes.

The duty to refer
Partnership working is a crucial part of any plan to reduce homelessness. It can help pool resources, improve accountability across organisations, and align local systems to target support at the right people, at the right time and in the right way. The duty to refer is a positive step in ensuring public services recognise the importance of their role in tackling homelessness. However, the duty is limited – it does not require services to go further than directing people to a local housing authority - and it does not apply to many public services which have frequent contact with people who are homeless or at risk of homelessness – GPs, schools and colleges, and the police, for example. In addition, the duty to refer does not apply to registered providers of social housing who have an undeniably important role to play in helping local authority efforts to reduce homelessness.

CIH believes that Government should extend the duty to refer to GPs, the police and education providers and it should carefully consider how the current regulatory framework for registered providers of social housing can be strengthened to ensure their contribution and participation.

There are examples of good practice where agencies that are not subject to the duty to refer have committed to the requirements on a voluntary basis and where work is being done to secure such a commitment. Examples include:
CIH submission to MHCLG’s Homelessness Reduction Act 2017 Call for evidence

- The National Housing Federation’s voluntary commitment to refer which provides housing associations with the opportunity to commit to the same requirements set out in the duty to refer, but on a voluntary basis. By signing up to the voluntary commitment, housing associations can demonstrate that they are serious about supporting local authorities to reduce homelessness. Almost 200 registered providers of social housing have signed up to the commitment to date, representing almost 2 million homes across the country.

- The West Midlands Housing Associations Partnership (WMHAP), have made a voluntarily commitment to collaborate to prevent/relieve homelessness and set an ambition to work towards no-one being made homeless from social housing.

- CIH and Crisis are supporting a West Midlands Combined Authority homelessness taskforce initiative to work towards securing a commitment to collaborate across public service organisations to address the systemic and structural issues which can cause homelessness. The aim is to take the duty to refer to another level by getting as many organisations as possible involved in designing homelessness out of local systems and the ways that public services are delivered.

CIH believes that while it is positive such practice exists, we can go further. We should therefore require this level of collaboration and partnership working on a consistent basis.

Local and national homelessness strategies
Local authorities’ homelessness strategies play an important role, in bringing relevant partners together to explore and agree responsibilities and actions to address homelessness in their areas. Positive outcomes of an effective homelessness strategy include:

- **Forums, protocols and partnership agreements (both formal and informal)** that stem from homelessness strategies, and linked strategic objectives (e.g. health, social care and justice). Such arrangements can strengthen accountability and provide a framework that supports a commitment to reducing homelessness.

- **Joint working arrangements** like co-location, pathway models and data sharing protocols are all examples of how strong strategic alignment can shape and influence how services are developed and provided.

Where the above arrangements are deeply embedded, the duty to refer, introduced by the Homelessness Reduction Act from October 2018, provided an additional mechanism to prevent and tackle homelessness locally.
CIH submission to MHCLG’s Homelessness Reduction Act 2017 Call for evidence

The absolute duty on local authorities, set out in the Homelessness Act 2002, to have a strategy and publish a new strategy following a review within five years has the potential to be a strong regulatory mechanism to direct activity to work together to tackle homelessness at a local level, if enforced. However, there is currently no national oversight to ensure local authorities update their homelessness strategies within the stipulated five-year timeframe.

CIH has received anecdotal feedback that suggests that many homelessness strategies are out of date. CIH therefore welcomes the steps MHCLG sets out in its Rough Sleeping Strategy, to support local authorities to update their homelessness strategies and introduce a mechanism to monitor progress against delivery of strategies, as well as proposing that action will be taken if local authorities fail to comply with requirements. It is important that recently proposed Homelessness Reduction Boards enhance these requirements rather than exist separately.

CIH also believes the existing framework, contained within the 2002 Act, can be strengthened further by replacing powers (‘may’) with absolute duties (‘must’), including:

- Section 3(2) suggests that local authorities with a strategy ‘may include specific objectives to be pursued, and specific action planned to be taken’ in delivering their strategy.
- Section 3(3) sets out that local authorities with a strategy ‘may also include provision relating to specific action’ to be taken by their statutory and non-statutory partners.

Feedback from CIH members via a recent online survey highlights the importance of having more joined-up systems, and how important it is for partners to have adequate resources to play their part in tackling homelessness. The survey results showed that having more aligned systems and adequate funding are valued most highly when working together to tackle homelessness.

To fully support local authorities and their partners to reduce homelessness, CIH believes that Government should develop an overarching national homelessness strategy. In particular we ask Government to adopt the recommendation of the Public Accounts Committee that MHCLG should publish ‘a cross-government strategy for reducing homelessness that sets out clear targets and specific actions for all stakeholders to reduce all measures of homelessness’, of which rough sleeping is just one.