

Clive Betts MP  
Chair, Housing, Communities and Local Government Committee  
House of Commons  
London  
SW1A 0AA

20 May 2019

Dear Mr Betts

**Housing, Communities and Local Government Committee inquiry: ‘Homelessness Reduction Act (2018) – One year on’**

I wanted to thank you for inviting the Local Government Association (LGA) to give evidence to the Committee’s inquiry into the “Homelessness Reduction Act (2018) – One year on”. During the session we discussed a range of issues and I thought it would be helpful to provide some further information to your Committee. I hope this proves useful in drafting your report.

**Cost of implementing the Act**

In November 2018 the LGA surveyed heads of housing services in all single tier and district councils in England. We received responses from 151 councils (48 per cent response rate).

This survey found that the new burdens funding allocated to local authorities has not been sufficient. Twenty-nine per cent of respondents did not think their council had been sufficiently resourced to deliver their new duties. The average funding gap was reported as £155,180, or 93 per cent of current Homelessness Reduction Act (HRA) funding. This gap equates to four full-time-equivalent staff members.

The councils that responded to our survey were clear that the new burdens funding may have been adequate for some purposes, such as procuring new IT systems, or hiring more housing options staff. However, it has been insufficient to fund the tools needed to tackle homelessness in the long-term, including affordable housing, welfare reform, and a renaissance in social housing.

LGA analysis shows that councils’ homelessness services are facing a funding gap of £110 million by 2019/20, and £421 million by 2024/25. We predict that local services as a whole will be facing a combined funding gap of £8 billion by 2024/25. As a result, local authorities’ services are increasingly focused on meeting their statutory duties, to the exclusion of more cost-effective prevention activities.

*Unfunded costs: H-CLIC*

For 97 per cent of respondents to the LGA’s survey, the increased workload associated with the Act has led to significant unfunded costs. This is partly due to increased footfall from applicants: 83 per cent of councils have seen an increase in presentations since the Act came into force. For most councils there have also been increased casework requirements associated with each application. In particular the administrative burden associated with the H-CLIC returns has grown.

Councils have raised issues around the timeliness of the introduction of H-CLIC that impacted their ability to implement the Act. Almost all (92 per cent) councils indicated they had not been given enough time to prepare for the new data reporting requirements (H-CLIC) due to the late release of guidance (one month before the implementation of the Act) and unexpected changes to the Act's data requirements.

Six months on from implementation of the Act, H-CLIC returns continued to present significant issues for 40 per cent of councils. They are extremely detailed and disproportionately time-consuming to fill out, due to the large volumes of detailed information required. Councils report that the amount of effort expended in completing data returns is actively diverting their staff from carrying out prevention work.

There are also concerns that the data collected will not be useful for the Government's purposes. This is partially because of differences in interpretation by individuals working in different councils, and partially because the returns still don't provide a satisfactory picture of the causes of and solutions to homelessness.

#### *Unfunded costs: temporary accommodation*

The key cause of increasing costs for councils has been the increase in the number of people who are now being housed in temporary accommodation under the Act. Almost two-thirds (61 per cent) of the councils who responded to the LGA's survey have seen increases in the number of people in temporary accommodation, and 60 per cent are seeing people spending longer in temporary accommodation. This is partially because more applicants are now being housed in interim accommodation during the 'relief duty' stage.

Councils are unable to move people out of temporary accommodation into settled housing, even as demand increases. This is a continuation of the pressures which have seen the number of households in temporary accommodation rise by 67 per cent in England since April 2011.<sup>i</sup>

This finding undermines the assumption in the Government's new burdens assessment that the costs to local authorities of providing temporary accommodation would be neutralised by year two of the Act's implementation. Councils need sustained and substantial investment from the Government in homelessness prevention, if they are to reduce the number of households in temporary accommodation.

#### **Quality of homelessness services**

Local authorities have used the Act as an opportunity to take positive, proactive steps to review and realign their homelessness provision. Our survey found that 72 per cent have developed a new homelessness strategy or reviewed their provision. For example, many councils have integrated services across housing, health and social care, and improved joint commissioning. As a result, 60 per cent of councils responded to our survey feel they are better able to prevent homelessness for people who weren't previously covered by statutory provisions.

Respondents attribute this to more targeted support, along with increased prevention support funded through a variety of means, and the ability to intervene earlier. This group of people has also seen the most marked change in terms of councils' ability to relieve homelessness.

For all other groups of applicants, the most common response from councils was that there had been no change in their ability to prevent or relieve homelessness. This is primarily because councils' access to affordable accommodation continues to be severely restricted. Eight out of 10 councils have told us that the Act has made no difference to their ability to house people who are homeless.

Local authorities report that people's needs are becoming more complex. The first H-CLIC return recorded that 48 per cent of households presenting to councils' homelessness teams have support needs, such as mental health or substance misuse issues. We have found that the Act, in isolation, has done nothing to increase councils' capability to enact genuine solutions to these issues.

### **The Government's review of the Act**

The Committee asked what the LGA expected to see from the Government's review of the Act, and specifically whether any parts of the process require further adjustment. We would expect the review to consider how the wider local authority funding context is affecting councils' ability to deliver their duties and to drive down homelessness. In particular, we do not believe the Act is having the expected effect on the use of temporary accommodation.

We would also like to see the review consider whether the duty to refer has had the expected impact on the approach of councils' partners to tackling homelessness, and whether it should be extended to a duty to cooperate. The causes of homelessness are complex and varied, and successful prevention requires early contributions by a wide range of partners and services.

Councils have expressed concerns that the duty to refer has led to a shifting of responsibility for preventing homelessness onto local housing authorities, as partners are now only required to make a simple referral in order to fulfil their duties. In the worst cases, this has undermined existing, positive partnership arrangements and opportunities for early intervention are being missed. Instead a duty to cooperate would incentivise more meaningful partnership work and focus efforts on tackling homelessness.

### **Our work with the Government**

During your evidence with the Minister for Homelessness, Heather Wheeler MP, and her official, you enquired about the work of the Ministry of Housing, Communities and Local Government (MHCLG) has undertaken with the LGA. I would like to take the opportunity to share some further information about our engagement with Government.

We have been working with MHCLG on an ongoing basis to improve the support to local authorities, and to share existing best practice. Some of this work, such as gathering evidence on the impacts of the Act for councils, has been outlined above. We are also working with Government to develop a comprehensive package of sector-led support for homelessness and rough sleeping, and this work continues.

We were key stakeholders in the development of Government's Rough Sleeping Strategy. As chairs of the Prevention Task and Finish group, and members of the Rough Sleeping Advisory Panel, we submitted many recommendations which were subsequently taken forward in the

Strategy. This includes the implementation of Somewhere Safe to Stay hubs and a greater focus on targeted prevention.

We have assisted the department in its review of the Homelessness Reduction Act, both directly and by supporting the department to consult with 90 local authorities across the country in Autumn 2018.

Please do not hesitate to contact the LGA ([Thomas.Leighton@local.gov.uk](mailto:Thomas.Leighton@local.gov.uk) / 02076643094) should you require any further information.

Yours sincerely,

A handwritten signature in cursive script that reads "Cllr Adele Morris".

Cllr Adele Morris  
Deputy Chair, LGA Environment, Economy, Housing and Transport Board

---

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/764357/TA\\_Tables.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/764357/TA_Tables.xlsx)