



Communities and Local Government Committee

Oral evidence: Homelessness Reduction Bill, HC 635

Wednesday 14 September 2016

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Questions 46 - 105

Members present: Mr Clive Betts (Chair); Bob Blackman; Kevin Hollinrake; Jim McMahon; Mr Mark Prisk; Mary Robinson; and Alison Thewliss

Witnesses

I: Giles Peaker, Executive Member for Parliamentary Liaison, Housing Law Practitioners Association; Chris Norris, Head of Policy, Public Affairs and Research, National Landlords Association; Neil Wightman, Co-Chair, Association of Housing Advice Services; Lindsay Megson, Head of Service, National Practitioners Support Service

II: Marcus Jones MP, Minister of State for Local Government, Department for Communities and Local Government; Dee O'Donnell, Head, Homelessness and Support Division, Department for Communities and Local Government

Examination of witnesses

Giles Peaker, Chris Norris, Neil Wightman, and Lindsay Megson.

Q46 **Chair:** Good morning and welcome to this evidence session on the Homelessness Reduction Bill. Thank you very much for coming to

give evidence to the Committee. I begin by asking members of the Committee to put on record any particular interest they may have with regard to this inquiry. I am a vice-president of the Local Government Association. Any others? No—that is the only one for today.

I also refer to a statement I made at the beginning of our previous evidence session. This inquiry will produce a report when we come back from our conference recess. It will be published in time to allow Bob Blackman to consider any proposed changes we are suggesting to the Bill before he takes the Bill for its second reading on Friday 28 October, so that is our timescale. It is slightly unusual—we do not think that this has ever quite happened in this way before in the House of Commons—that we have produced a Committee report already. Bob Blackman is a member of the Committee. He now has a Private Member's Bill. He is also a member of this Committee, which is scrutinising that Private Member's Bill.

We have agreed, and it was put on the record at our last hearing, that Bob will be present at the evidence sessions, but he will not be questioning the witnesses. He will be available to answer any questions and provide any relevant information as appropriate to the Committee, but he will not be involved in agreeing the Committee's final report. That is the best of both worlds. We are working together in a constructive way on this, but making sure in the end that the report we produce to help Bob in his Private Member's Bill is not accused in any way of having any undue influence over it. I state that on the record right at the beginning. Thank you very much indeed for coming. Could you just say who you are and the organisation you represent?

Chris Norris: I am Chris Norris. I am Head of Policy at the National Landlords Association.

Giles Peaker: I am Giles Peaker. I am a solicitor at Anthony Gold and an Executive Member of the Housing Law Practitioners Association.

Lindsay Megson: I am Lindsay Megson. I am Head of Service at the National Practitioner Support Service.

Neil Wightman: I am Neil Wightman, Director for Housing Services at the London Borough of Lambeth and Vice-Chair of the Association of Housing Advice Services.

Q47 **Chair:** Thank you very much. One of the key elements of the Bill is to try to get more focus on prevention. Do you welcome that as a general approach and do you think that earlier intervention on homelessness issues and cases can be cost-effective in reducing homelessness? Who would like to make a start?

Chris Norris: As you would expect, we are interested particularly in the aspect of the private landlord. We represent private landlords. From our point of view, it is a very welcome step to see the recognition of the barriers and the difficulties that are present for providers of that housing. Engaging with them earlier, working with them in a more constructive and perhaps less adversarial way, can make it easier in the long term for local authorities to carry out their duty, and hopefully downstream that means reducing homelessness. We are broadly very supportive of the measures in the Bill, as you would expect, with maybe one or two caveats. We expect that it will, through efficiency and effectiveness, cut costs in the long run.

Giles Peaker: Similarly, we welcome the purpose of the Bill. Early indications from Wales, where similar provisions have now been in force for a year, are that prevention has quite a significant effect in lowering the numbers going on to be owed a full housing duty. The situation is quite different in parts of England, but certainly the principle seems to work. As such, it should quickly reduce the cost to local authorities of the full housing duty, which can be significant.

Lindsay Megson: Absolutely as an organisation, from the local authorities we have spoken to, we are definitely in favour of an early-intervention approach. The work that NPSS do specifically is to support local authorities to implement an early-intervention and prevention model. As part of that work, we have developed a value-for-money tool, which is free for local authorities. For the local authorities that have worked through the value-for-money tool, it has been able to show them case by case that homelessness prevention is a more cost-effective option than a full homelessness duty.

Neil Wightman: From our point of view, we definitely welcome the conversation around prevention. Local authorities for many years have adopted a prevention approach to preventing homelessness for families and singles with vulnerabilities. Our main concern is the cost that a prevention approach to singles with no priority will have. The comparisons to Wales are very difficult, because the conditions that exist in high demand areas, like London and other parts of England, are not comparable with those of Wales. We do not think the cost savings they have achieved in Wales would be achieved in Lambeth in London and other parts of England. We can go through that in more detail.

Q48 **Chair:** Some local authorities are already saying that they are concerned about the financial implications. Is that what you are picking up as well?

Neil Wightman: Certainly the financial implications, yes. Wales have affordable options, and in high-demand areas there simply are not the affordable options to move people on to to prevent homelessness. We want a sustainable home for somebody, and with the welfare reforms and the high rents in London and other parts, it just simply is not an

affordable, sustainable option to move people on to the private rented sector.

If we just put that in context with Wales, in Lambeth the number of households in temporary accommodation at the moment is greater than in the whole of Wales—in one London borough. Of the prevention outcomes that Wales achieved through their new work last year, nearly 50% went on to private rented accommodation, and 40% went on to social housing. Those conditions just do not exist in London, where the access to social housing is very limited and the move on to private rented accommodation is really difficult for single people, particularly those under 35, where the rents and the housing benefit are considerably restricted.

Chair: Any other views on that?

Chris Norris: I certainly recognise the issue of the difficulty in making comparisons with Wales. The housing markets are incomparable, particularly with certain parts of London where there is very high demand. There are certainly structural issues surrounding the amount of supply. The LHA element, particularly in respect of some of the changes we have seen in the last few years, the freeze in uprating and the reduction of the available rate to households in that part of the sector, is a very important point to make in looking at this. I would like to think that still that earlier engagement is a positive step and that there is still a great deal of positive in this Bill that could make those savings.

Lindsay Megson: There are a couple of points to make. One of them is around the fact that the homelessness prevention grant used to be a named grant for all local authorities and it is now within a line in the business rates retention scheme. Some local authorities, if we are starting at a funding point and the cost to local authorities, do not see any of that grant at all. We surveyed all 365 local authorities about 18 months ago and found that some local authorities get no grant to prevent homelessness, some get all of it, and most get some but not all. The funding starts from there, because the funding that is available for local authorities to prevent homelessness is not being passed on, so that is an important point.

I take the point certainly in relation to the differences in markets, but we, for example, have worked with Bristol City Council recently, who five months ago had 22 households in bed and breakfasts for over six weeks, in breach of the statutory order. By implementing an early-intervention and prevention model, in five months that has gone down to zero and they are now offering a full housing options appointments system for everybody that walks through the door. There are small changes that can happen on a very frontline, operational level that can make a difference in terms of prevention.

Giles Peaker: While recognising the difficulties facing London councils, which we are all aware of, we would also make the point that the prevention duty also operates to assist people in staying in their current

tenancies rather than having to move on to a fresh one. The Welsh experience, again recognising it is not necessarily comparable, was some 23% remained in their current tenancies, which is in itself a significant saving.

Neil Wightman: Just to follow up, the difficulty we see is just the sheer volumes and just the sheer numbers. We have done some number-crunching on that in our submission, and just looking at the footfall of single people coming through the door in London last year, we are looking at a public-purse burden of over £6 million for my authority in terms of not finding some solutions, having an interim duty under the provisions in the Bill, just simply because of the vast number of people who are approaching. If we create a duty, that will increase because it will be seen as the default option for everybody.

Q49 **Mr Prisk:** On this issue of funding, Ministers have cited the social impact bond of £10 million as an integral part of their approach to this area. That is about trying to encourage more innovative, very often cross-activity areas, so not just about homelessness but about other social issues. As we know, homelessness is very often a result of a lot of other things going on in people's lives. Has Lambeth applied for that or got involved in that? What is your experience of that?

Neil Wightman: We get involved in any funding opportunity and we have had a very good and long track record in terms of preventing homelessness and being very innovative about it. We do help singles. We have a pathway model for non-priority single people who have some vulnerability and we work in partnership with our voluntary sector with that.

We do all sorts of things around managing families who are overcrowded and helping them through the process. We look at how our allocation scheme can prioritise that. I would not want the Committee to go away and think that we do not do lots and lots of work to try to prevent homelessness, because we do and our statistics are very good. For every household that goes into temporary accommodation, you prevent homelessness for four equivalents, so we have a very proactive approach to prevention. The worry that we and lots of other local authorities have is just the sheer volume of the issue that we would have to take on as additional burdens.

Q50 **Mr Prisk:** Sure. I get that. I am really trying to tease out here whether the social impact bond is relevant in your dealings in this area and whether it might sit—if it were reshaped or whatever—as a useful complementary element alongside a Bill of this nature.

Neil Wightman: Definitely. Anything that invests into solutions for homelessness is very welcome, and so the answer to that is yes.

Q51 **Mr Prisk:** Is it large enough? Lindsay, you have talked about the funding aspect not often being drawn down to practical action.

Would a £25 million or £30 million social impact bond help make this Bill operational?

Lindsay Megson: Absolutely. I agree; any funding that is put towards homelessness prevention is beneficial. There are lots of other funding streams that local authorities are accessing. There is some fantastic local authority work with voluntary sector partners and registered providers, through Big Lottery schemes for example. Local authorities are not just reliant on the homelessness prevention grant when they do get it, or if they do not, but are also looking at more commercial options and other funding streams. Yes, definitely: any funding that would support this would help to implement it.

Q52 **Mary Robinson:** Clause 1 of the Bill amends the Housing Act to extend the period in which someone can be considered to be threatened with homelessness from 28 to 56 days. In your view should the period be extended in that way?

Chris Norris: Yes, in short. As I mentioned before, anything that can encourage engagement at an earlier stage and help us get to more preventative measures—rather than having to deal with what is a definitive crisis at the end of a tenancy, most likely, or when the bailiffs turn up to seek possession of a property, particularly in the private rented sector, which we are interested in—can only be positive. That is what we want to avoid.

Giles Peaker: Yes, I completely agree. It simply avoids a duty kicking in at a point of crisis and enables opportunities to avert it.

Lindsay Megson: Yes, absolutely. From the work that we already do, we see some local authorities that are preventing homelessness at 56 days already but also some at 90 days. In that case of that particular local authority acting at an earlier stage, they saw an increase in their compliments by over 200%, so there is already evidence out there that local authorities are doing it and want to do this. As a wider picture, earlier intervention and prevention reduces costs for other services, such as health and social care.

Neil Wightman: Likewise, we are very comfortable with extending the time limit. For my authority, like many authorities, the earlier we can intervene and work with households, the better for us and for them.

Q53 **Mary Robinson:** Unanimity is great—speaking as one. Looking at that period of early intervention, should a valid Section 21 eviction notice expiry date automatically trigger the point at which the person is considered to be threatened with homelessness?

Chris Norris: Again, we would say yes. Our view would be that, as the legislation currently stands and as the code currently exists, it should be accepted as a valid risk of impending homelessness. It is not universally. The research that we do in-house tells us that one in five of our members has had a tenant who has received a valid Section 21 notice and who has

been advised by their local authority or an advice service to stay until there is an order or even until the bailiffs turn up to end that tenancy.

On the flipside of that, when we asked tenants—we run an independent tenants survey—49% of those tenants who had received at Section 21 had been told to stay put, whether they want to or not. For us there is an enormous financial implication for landlords, but there are also significant implications for that tenant, who knows that that tenancy will come to an end. It is just prolonging the period of instability—again, the crisis that they will reach at the end of it.

Giles Peaker: I agree. We routinely see homeless people being effectively told, either by the local authority or by advisers who know what the local authority will tell them, to remain literally until they have an eviction notice. This means they also incur the court costs for a possession order, effectively for no reason. The Section 21 triggers a position of homelessness. A local authority can of course intervene. It is possible that the Section 21 may be withdrawn or the landlord will cease to rely on it, but, as is indeed set out in the current guidance, it should be the point that the homeless duty is considered to kick in.

Lindsay Megson: This particular provision definitely offers some clarity but would need to be taken in conjunction with the 56-day prevention duty. It also needs to be remembered, though, that local authorities do and can and are able to prevent homelessness right up to the point where a bailiff's warrant is executed. I take the points that have been raised. There are local authorities out there who are insistent that tenants remain, and that is not a practice that we would advocate in any way at all. We cannot get away from applicant choice, and for some households being placed in temporary accommodation, bed and breakfast or out of area is not their preference, so there needs to be provisions for applicants to have a say in that process.

Neil Wightman: We are slightly concerned about it, because we see this as being not helpful in preventing homelessness. At the point where the Section 21 expires, you are almost into the process of homelessness. We find it is very difficult for landlords and applicants to think about preventing homelessness at that point. We would prefer that the applicant, the person or the household approaching the local authority triggers the 56-day period for prevention of homelessness. If that is at the expiry of the notice, that is fine, but many people come to us very late in the process; they do not seek advice or come and approach us. At that point it is well beyond the expiry of the notice, and so we are into the homelessness duty. We would find it very difficult.

There are some unintended consequences as well. For pre-October 2015 assured shorthold tenancies, many landlords served notices at the commencement of tenancies. It is part of the administrative process. It does not really affect the tenancy that much. At that point of expiry, they are homeless or threatened with homelessness, and yet their relationship with their landlord is absolutely perfect. It is just part of the

administrative process that the landlord has gone through. It is a perverse consequence of making it a duty at that point.

We also fear that there may be an increase in unlawful evictions and harassment of tenants, where some landlords may take the view that the expiry of the notice is the end of their legal duty—that is the end of their legal relationship with their tenant and it is for the local authority to deal with the matter. That lack of clarity at that point worries us in terms of the protection of tenants and their rights, because of course they have the right to remain in their home through that whole process until the court. We do find that provision slightly difficult, and we would prefer, as I said, to trigger the duty at the point when they come to see us and for them to be encouraged at the earliest opportunity to come to see us.

Giles Peaker: If I could just come back on a couple of points on that, firstly, as I understand it, the purpose of the amendment is to effectively remove the position we have been in where certain local authorities, if somebody leaves after receiving a Section 21 notice, will class them as intentionally homeless. That happens frequently. I hate to say it but it does, regardless of the guidance.

I also have issues with the current drafting of the amendment. It has unintended consequences and the drafting of that could certainly be revisited. The purpose of it is to ensure that that position of “You have received a Section 21; just wait until they are really throwing you out”, or post-possession and eviction notice, does not follow. It does need revisiting. It particularly needs revisiting in relation to post 1 October 2015 ASTs and the window of use it or lose it that will happen on Section 21s, but the purpose I would strongly support.

Lindsay Megson: If I could just pick up on Neil’s point around households presenting at crisis point, one way of closing that loop potentially would be to put some of the onus on landlords to notify local authorities that they had served a Section 21 notice. If every landlord was required to notify local authorities, that would trigger local authorities to be able to make contact with the household and offer that early intervention and prevention at the earliest point.

Q54 **Mary Robinson:** That is very interesting. I was about to ask that very question. It was raised in previous evidence by a member of Liverpool Council, who suggested that it should be a requirement for landlords to immediately get in touch with the local authority and let them know that they had issued the notice. How would that be judged? How would you feel? Lindsay, I know you would be in favour.

Chris Norris: I would not have immediate reservations. It is a relatively simple process that you would have to go through in order to notify your council. On the other side, it would be important to recognise how few tenancies in the great scheme of the private rented sector require any kind of support or role for the local authority. Whilst it is not an

unreasonable burden for a landlord to notify their council—that could be accomplished quite easily—there could be implications in resourcing terms for local authorities to deal with what could be quite a high volume of Section 21s, most of which never go to court. There is either a negotiation between the landlord and the tenant, and the tenancy perseveres, or everyone amicably ends the tenancy at the end of the notice. There could be an issue there with lots of cases being opened that then they have to find a way to close because there has been no need, but I am sure that could be worked through.

Q55 **Chair:** Just in terms of the redrafting—you said some points need clarification—it would be helpful if you could let us have some wording on that if you have a proposal.

Giles Peaker: I had some suggested wording in my evidence.

Chair: If you can just drop us a note about it, that would be very helpful. Thank you very much.

Q56 **Mary Robinson:** Chris, will any measures in the Bill or which measures in the Bill will increase the confidence that landlords will have, and therefore make it easier to place households in private rented?

Chris Norris: There are a few measures contained in the Bill now that take what is good practice in a great deal of local authorities and make them law. Increasing that consistency across the board is the big issue. The Section 21 measure is the biggest. At the moment we have, as I mentioned in the statistics a moment ago, quite a high incidence of landlords who have had perfectly reasonable tenancies sustained in many cases for a number of years, but when they try to bring them to an end in a perfectly legal manner and both parties are quite happy, the tenant, who would be quite happy to move on, is told not to, and that incurs greater cost.

Again, we surveyed our members quite recently, knowing that this Bill was on the cards. Our members told us that the typical cost of one of those tenants or one of those households being told to stay amounted to around £3,700 if there is no damage to a property. Quite often when the relationship starts to break down, other things tend to occur, and there is damage or more wear and tear, and that increases that cost by another £2,000.

On average it takes 17 weeks to get from service of a notice through to possession in most cases, although you only have to look at the Ministry of Justice figures to see that when those possession cases go to court, it takes an average of 45 weeks to regain possession. If the relationship has disintegrated, it is very unlikely that the rent is being paid during that time and it is quite unlikely the property is being taken care of. Things turn sour quite quickly, and that can lead to a great deal of problems for landlords.

We tend to find it is once bitten, twice shy: if landlords have experienced that with, let's say, vulnerable households in a local area that may have been referred on by the local authority, they will look for another source of tenants.

Later in the Bill also there is mention of some measures to help boost confidence. There is mention of **co-operative**[10.10.56] bonds, of rent guarantees, which can be very useful in certain circumstances, but also of developing PRS access schemes, which can package together lots of measures that landlords might be looking for and might find from perhaps professional letting agents elsewhere to help more vulnerable households access those landlords' properties. It provides that support to people who may not necessarily be in the best position to live with an AST and to live within that AST and understand their responsibilities.

Q57 Alison Thewliss: Lindsay mentioned choice for tenants and the importance of responsibility and co-operating with council services. How important do you feel it is that there is an expectation of applicants sharing responsibility and co-operating with council services?

Giles Peaker: An expectation of co-operation is a thoroughly reasonable thing, and clearly on the extended period of duty in the prevention duty, the anticipation is that there will be co-working between the local authority and the homeless person in order to try to resolve their position. That said, I do have concerns about the specifics around co-operation in the Bill as drafted. In particular, there is the concern that the level of what would be classed as non-co-operation is probably set too low, in particular because there is in effect a new form of becoming intentionally homeless, which is not co-operating.

As an example of why we are concerned about this, last week there was a judgment in a homeless appeal county court—a Section 204 appeal. The homeless person, a single mother of three children, was owed the full duty by a London council—I will not name them—and they are in temporary accommodation in the borough. She was told that there was going to be an offer of permanent accommodation, which would be a private sector tenancy, in Telford and given an appointment to go to Telford the next week. A couple of days before that, her solicitors wrote to the council and said, "She accepts the offer under protest and she wants an immediate review of its suitability," which is her right under the Act, and, "She will not be able to make that appointment because she is currently ill and unable to travel to Telford."

Two days after the appointment date, the council discharged duty on the basis that she had refused the offer, saying that because she had requested a review and because she had not gone on that set date, that counted as refusal. They maintained that position through a review. They maintained it throughout a Section 204 appeal to the county court,

until it finally, some nine months later, got in front of the judge, who said it was an obviously perverse decision and threw it out.

In this case we have a local authority quite literally saying yes means no. If we are in a situation where somebody can be classed as intentionally homeless because they have not co-operated, the level of non-co-operation has to be clear. If a local authority is going to potentially turn round and say, "You have not co-operated because you have not returned my phone call or because you have not accepted something in the way that we think you should accept it," that is a grave concern.

There is a route for review in the Bill, which is a thoroughly good thing, but as that example would illustrate a review is eight weeks; if they can find a solicitor, a county court appeal under Section 204 is another four or five months, during which time of course they are probably not accommodated, because that is a discretionary issue. These are serious decisions, and the level of non-co-operation has to be clear and has to be quite severe before you are looking at triggering intentionality.

Lindsay Megson: We welcome the fact that the prevention and relief duties could be brought to an end if an applicant unreasonably refuses to co-operate, and I agree entirely with Giles that it needs to be really clear what that means. We would like to see a better balance of rights and responsibilities.

We train local authorities to make sure that they find out what it is that their customer wants, but also part of the role of a frontline housing options adviser is to manage expectations. That really needs to be borne in mind, in that some applicants do have unrealistic expectations, and it is the role of that housing officer to manage them. If an applicant only wishes to consider accommodation in a certain area that is clearly not affordable, that could be seen as unreasonable unless there are medical or safeguarding reasons or other clear reasons why they need to move. That is by way of example, but the reasons would need to be really clear.

Neil Wightman: I agree with Lindsay. Behaviours with additional duties need to change throughout: the local authority, the applicant, advocates and landlords. A duty to co-operate would not harm the perverse decision that Giles was talking about, because the law is there as a safety net to protect those decisions that the local authority makes. It has to be an agreement between both parties.

Lindsay's point about expectation management is absolutely right. It is very difficult with families at the moment, where there are more housing options, but on the additional duties—and I come back to it—where we are looking at widening it for non-priority single people, options in high-demand areas are just going to be impossible. There will be no sustainable private rented accommodation in local areas at all because of the local housing allowance, particularly for under 35s. It is just going to be an impossible relationship to manage if we do not have some safeguards that the local authority can use.

Q58 Alison Thewliss: Do you think there are particular measures that

could be put in place to prevent local authorities using the provisions of the Bill to prematurely discharge their duties?

Giles Peaker: The simple answer is yes. I have not considered a detailed rewording, and if I remember rightly to some extent this would rely upon guidance from the Secretary of State. It would be reasonably clear to set a level in wording of the degree of non-co-operation. That would certainly be possible.

Q59 **Alison Thewliss:** Obviously you would not want people to be discharged through miscommunication or letters being sent to the wrong place or something like that.

Lindsay Megson: There are similar provisions already in the code of guidance. For example, if a housing options adviser is unable to make contact with a customer, they have to wait three months before they close down that case, so there is already some guidance in the code of guidance for situations like that, which potentially could be extended to meet something like this.

Q60 **Alison Thewliss:** So, putting a time on this would be as good as putting in other measures.

Lindsay Megson: Possibly. The risk sometimes is in making a list. There are things that do not fit in that list. The three-month no-contact guidance is followed very well by local authorities and seems to work.

Q61 **Alison Thewliss:** When councils place a homeless family, what do you consider to be more important: the location or the affordability of the property?

Neil Wightman: Affordability is absolutely key for high-demand areas, and it has to be brought into the conversation and has to be looked at, in our opinion. There are significant areas, London and outside London, where there simply is not any affordable accommodation at all, and if we are placing single people or families in accommodation, we want that to be sustainable. The only way you can make it sustainable as a long-term family home is if it is affordable. If there simply is no accommodation locally, affordability has to be brought into the suitability dimensions.

Chris Norris: From our point of view, our members, our landlords, have property in one fixed location, so that is not something we can change. But I completely agree with the point that if you want the tenancy to be sustainable, you have to have that affordability cover. Equally, I would point to the experience certainly of some of the NLA's members, who particularly tend to have shared accommodation for young single men out of higher cost areas. There are quite often a great deal of issues with settling down into new communities, and there are issues with the community around them not being comfortable with what could be a relatively high volume of people coming into that area. It is less likely that those tenancies are therefore going to be sustainable in the long term, even if they are affordable, so there are issues on both sides.

Giles Peaker: It is a trade-off. Affordability is vital and is becoming more of an issue. I am personally frankly terrified about what is going to happen with the reduced benefit cap. At the same time, simply removing locality as a factor that is important to people risks—not to go back to Telford—if I remember rightly what we saw in the previous evidence sessions, with the issue around the Nzolameso judgment and people simply being shipped to other areas without any consideration as to whether there was some alternative in between: “If you might not be able to afford something in this specific area, what is the next best thing?” rather than simply, “You have to go where we tell you.” There is currently a legal framework for that. That does not necessarily need to be changed.

Lindsay Megson: Absolutely affordability needs to be taken into consideration. I agree with colleagues that the issue is often with the difference between market rent and local housing allowance rates—local authorities spending a lot of their budgets topping up local housing allowance rates in order to be able to make an offer in the private rented sector.

There are local authorities that are accessing accommodation in their local area but commissioning voluntary sector partners or private companies to do so on their behalf. In one case there is a local authority paying upwards of £1,000 a week to provide accommodation for statutory homeless households in their local area. That is over and above what that accommodation is costing. Were local authorities to divert that funding, there are ways of doing that so as to place people in accommodation in the local area. However, I agree that in some cases there are applicants who take out-of-area placements, if done in a planned way—again, going back to applicant choice—as an opportunity to move out of an area.

Chris Norris: We have experience of the shift or the trend in landlords being prepared to and able to let to applicants in receipt of housing allowance. This is across the household spectrum. We saw that four years ago around four in 10 of our members were prepared to or actively let to LHA recipients. As of the last quarter, that is down to 18%. That is across the UK. Looking at an area like central London, that is 7%. Even in outer London that is down to 12%. It has been a really stark change and that is indicative of the supply that is available in those areas.

Q62 **Alison Thewliss:** Clause 14 of the Bill amends Section 202 of the Housing Act to give the applicant the right to request and review the decision made by the local authority in relation to the new duties to assess to prevent homelessness and secure accommodation. Should applicants have the right to review those decisions taken by the local authority at all stages of the process, and in your view would constantly reviewing these things make the process more adversarial?

Giles Peaker: These are all significant decisions. Each of those decisions is either a decision to end a duty or that a duty has been fulfilled or that there has been a failure to engage with the duty in the first place. It is not a question of necessarily a whole sequence of decisions being challenged. These are the key decisions, and as such capability of review is vital.

Neil Wightman: It will not surprise you that it is an area that we have concerns about. There are four new review stages and four duties to notify. That is on top of the existing legislation and review abilities within the current framework. It is overly complex and will lead to the administration of this just being too difficult for us. We favour a simplified process with a single review process, and we really urge that that is looked at. We want to make any additional burdens or duties that we have as simple and as easy to administer as possible, while having that protection as well.

Lindsay Megson: I would agree with Neil that in its current form it is onerous on local authorities, and we have to remember that there will be households in temporary accommodation in bed and breakfasts during this time through the review period. As it stands, those figures are likely to increase. Also, there are local authorities who contract out their 202 review service to private individuals or companies, potentially, again, diverting funds away from the important areas of prevention. The focus needs to be on prevention and not necessarily on challenge, although a review is an important process and there should be a way of doing that.

Chair: Thank you. Right. I am advised that the Minister is with us and he can only stay until 11.00, so we are probably going to have to move on. Are you able to stay around so that we can come back to you? We still have some important points. We have gone on longer than we anticipated, because you have given us some really helpful and detailed responses to our questions and we would like to follow up with some further questions afterwards. The Minister is going to be coming in now until 11.00, and then we will come back to you to finish off, if that is okay.

Examination of witness

Marcus Jones MP, Minister of State for Local Government, and Dee O'Donnell, Head, Homelessness and Support Division, Department for Communities and Local Government

Q63 **Chair:** Minister, thank you very much coming to join us on this important inquiry. I welcome you back as the last Minister standing in DCLG after the reshuffle, but at least you are used to us anyway. We will see your other colleagues who are new to this

business after the recess, so thank you for coming to us.

Mr Jones: It is a pleasure.

Chair: We have a published Bill now that Bob Blackman has put forward. Does the Government support the Bill?

Mr Jones: Firstly, Chairman, thank you for allowing me to come along and give evidence on this Bill today. I very much welcome the opportunity to examine the draft of the Bill. It is important to say that it is currently still a draft Bill, because it can still be amended following the work of this Committee. It is an important opportunity to consider the impact that legislation could have on reducing homelessness, and I am certainly very sympathetic to the aims of the Bill.

I welcome the reviewing work that the Committee is doing, and this is very much a new system that we are employing, and that is one of the reasons why I have Dee O'Connell with me, because our officials are very keen to engage and support the process in that sense. We are keen as a Government to listen to the representations that are being made to this Committee, consider those in the context of the amendments that may be put by the Committee when the final report comes out in October, and then we will be able to make a reasoned and sensible judgment on the proposals that have been put forward.

Chair: That sounds like a very typical ministerial answer.

Mr Jones: That is continuity, Chairman.

Q64 **Chair:** Can I turn the question round then? Are there any particular aspects of the Bill in its current form that you have concerns about?

Mr Jones: I would stick to the same sort of answer that I gave to the last question: that I am concerned to make sure, and even this morning we have had representations, for example from the LGA—we look at the whole situation. We need to look at all the representations that have been made and some of the practical concerns, and I need to take those into account before coming to a conclusion in terms of what we are able to support.

Q65 **Chair:** Right. Let's put another question then. Are there aspects of the way that homeless applicants are treated by local authorities that give you cause for concern and that you think need addressing?

Mr Jones: As I say, many of the aims in this Bill I certainly come on board with. There are some very good examples of local authorities around the country who do a very good job in relation to providing advice and support to single homeless people, for example, but as shown in Crisis' *No One Turned Away* report, there are some situations where that advice is not as it could be. That is an aspect, if you want an example, of where I would certainly agree with the aims of what is proposed.

Q66 **Chair:** You believe the service for homeless people should be improved.

Mr Jones: In many cases there are certainly excellent examples that are happening across the country, but there is an issue over consistency, and as I say that is one of the areas that this Bill looks at and one of the aims that certainly we would be supportive of.

Q67 **Chair:** We know that the Private Members' Bills are literally a lottery in the sense of who gets drawn in what order in the queue to present them. If Bob Blackman had not been successful in the ballot and had not decided to put this piece of legislation forward, would the Government have brought its own legislation forward?

Mr Jones: We have for some time, as you will know, Chair, alluded to the fact that we have been considering legislation and how that might work. We have been very interested in the legislation that was brought forward in 2015 in Wales. We have been very keen to consider how that is working. It is early days in terms of how the Bill has worked in Wales, but we want to look at what has worked in that context and what has not. We also want to look at this not just in the context of what legislation we can put through the house but what wider things we are able to do as a department to put prevention right at the heart of homelessness. That includes not just legislation but government departments working together, for example.

Q68 **Mr Prisk:** Are you committed to raising the standards, particularly among those authorities that are regarded as not at the front of the game?

Mr Jones: I could confidently commit to that statement, and I am certainly committed to making sure that the practice of the best is replicated across the country.

Q69 **Mr Prisk:** Are you happy to enforce that either by code or possibly by legislation?

Mr Jones: We need to consider that in the context of the evidence that is given here and the provisions put forward in the Bill, but certainly we are willing to look at it.

Q70 **Alison Thewliss:** You mentioned wider issues around homelessness. Can you tell us more about what you are going to do to look at the wider structural causes of homelessness?

Mr Jones: That is an extremely good point, and we have a ministerial working group that last met in April. We were due to meet just after the various elections in May, but things changed in that context, so we did not meet, but we are meeting again in October. It is really important through that that we deal with some of the underlying issues in terms of how we connect homeless people, particularly rough sleepers, better with mental health services, and how in terms of our homelessness prevention work we can work with other departments in terms of improving people's

skills and people's ability to earn more at work, which will hopefully help in certain areas with affordability, for example.

You will know more probably about Scotland than I do, but Scotland is a prime example. There is a significant amount of social housing. There could even be more than is necessarily required, but that still does not mean that there is not a homelessness problem, which means that we have also got to tackle those underlying issues.

Q71 Alison Thewliss: There is more social rented housing than required, given my mailbag as a MP, but we are putting investment into that side of things—the social rented sector. We have had evidence just now and in the previous homelessness inquiry we did about the private rented sector, and the issues around very high rents and pressures on that sector. Will you be exploring options to increase the stability of the private rented sector?

Mr Jones: There are important things that we need to do. We should bear in mind that generally the average assured shorthold tenancy is held by somebody for four years, so that is an important point to make. But there is far more that we can do. I go back to the comments that I made to the Chairman and Mr Prisk in terms of the best practice that is happening around the country. There are some very good examples where local authorities are working on the prevention side to prevent people from losing their assured shorthold tenancy, which is a considerable concern in terms of the homelessness acceptances at the moment. That is one area where I would want to spread that best practice in a better way across the country.

In terms of the wider issue, there is also work that we are doing with organisations such as Shelter in terms of enabling people who are needing private rented sector accommodation, and have not got bonds or the security to put up for that, to take that on board. I have been down to Sevenoaks, for example, and have seen in Sevenoaks how they have a team of people who are going beyond what the Bill advocates. They are going beyond the 28-day period at the moment up to 56 days, and they are inviting literally people to come in and see them if they think they have a problem once a Section 21 notice is served, or even before then, on the basis that they will help with budgeting or even negotiating with the landlord in relation to whether the terms of the tenancy can be continued.

Q72 Alison Thewliss: You mentioned as well the cross-departmental work and some of the work of the working group. Will there be a new revised cross-departmental strategy to tackle homelessness and what are the approaches that the other government departments are taking to this?

Mr Jones: As I say, the other government departments are around the table. We are also looking in a wider context of what more can be done by that group and by other departments to help in this area, and certainly

that is identified as well within the Bill and would be something that we would need to consider the practicalities of, but we are certainly in a position now where we are very much developing that as part of a package around prevention and around how we deal with crisis management when people do split through the net.

Q73 Alison Thewliss: You have mentioned mental health. Do you have buy-in from the Department of Health on their responsibilities to homeless people with mental health issues?

Mr Jones: They are certainly around the table and they are engaging closely with our department in relation to the work. They have made a commitment to look at the challenges that homeless people face in the context, I would say, that we all know that there are significant cost pressures put on the NHS as a result of particularly people who are rough sleeping.

Q74 Alison Thewliss: Has a case been made about that early intervention rather than crisis management?

Mr Jones: That has been looked at, and that early intervention on the issue of homelessness is in the NHS mandate.

Q75 Chair: Would it help you then, Minister, if this Committee gave some encouragement to the Department of Health to engage in creative co-operation with you?

Mr Jones: The Department of Health have responded in a very positive fashion, and if the Committee considers that they need to help my department in that sense, that is a matter for the Committee to consider, but I would say that I am confident that the Department of Health are responding very well and we are making progress in this important area.

Q76 Chair: On the issues around private rented accommodation, we have heard evidence both today and in the previous inquiry that there are parts of the country where there is not any affordable housing to offer to homeless families, but equally because of the increasing gap between the Local Housing Allowance and rents, offers in the private sector are often simply unaffordable to the family. What do we do about that situation? You can have all the requirements about prevention and offering help, but if in the end there is nowhere for people to go because it is not affordable, what do we do?

Mr Jones: There is an issue we are dealing with in terms of supply. I have discussed this with the Committee before in terms of the Government's objective of bringing forward 400,000 affordable homes by the end of this Parliament, 100,000 of those for affordable rent. That is an extremely important part of making sure that we have a sufficiency of housing supply in many areas that you mention.

I would also say it is not just about that. As I mentioned in relation to the Sevenoaks example, there are also lots of things that can be done to

support and help families that are at risk because they have a problem of affordability, budgeting issues and those sorts of things. In the best councils and where the best practice is going on, they are preventing many people becoming homeless in circumstances where the conventional wisdom would be that they would not be able to do that.

Q77 David Mackintosh: Thank you. Minister, one of your colleagues at the department, Gavin Barwell, has said that the Government has a responsibility in terms of resourcing councils to prevent homelessness. Will funds be made available to help councils meet the financial implications of the Private Members' Bill?

Mr Jones: During this spending review period we have shown a commitment to this issue. We have shown commitment through supporting the homelessness prevention grant and maintaining that across this Parliament. The department's homelessness programmes have also had their budget increased within this spending review—in that context, £139 million. We have also got an additional £100 million that came in the last budget for move-on accommodation.

In the context of the Bill, certainly there looks to be a number of things that may constitute new burdens. We need to analyse that very carefully once the Committee has received all of the evidence. I do note that particularly in terms of the amendment of clause 192(a), off the top of my head, that there are several organisations that have differences of opinion over how that may work and how wide that responsibility may be.

From our point of view, we will need to see the final outcome of the work of the Committee and the things that are accepted by Mr Blackman in that context, and then we will be able to make a judgment on how that will be funded. I would say that anything that is such a new burden to a local authority under the new burdens doctrine, we will have to look to accommodate and that will be part of our consideration.

Q78 David Mackintosh: Thank you. You mentioned Section 192(a), and in relation to those provisions do you think there is enough temporary accommodation to meet those provisions that require councils to secure emergency accommodation for homeless applicants with nowhere safe to stay?

Mr Jones: There is a situation where we will need to consider that point very carefully. We are aware that there is a shortage of temporary accommodation, and that is quite a challenge. We are doing some things to try to mitigate that in terms of, for example, devolving the temporary accommodation management fee. However, I am mindful that we have to be very careful not to get into a situation where, for example, a landlord may decide to convert a property that is currently put up for temporary accommodation for a family into separate rooms to serve the purpose that you are talking about. There is certainly a balance to be struck there, and that will be one of the considerations we will need to make in that regard.

Q79 **David Mackintosh:** Thank you. Do you think councils should take greater account of location or of cost when considering where a homeless family is placed?

Mr Jones: We have been very clear that we want people to be placed, as far as possible, where people have those local connections. We need authorities that are placing people in temporary accommodation to be mindful of where children go to school, where people might work and all of those sorts of things, because it is extremely important that we make sure that any movement beyond the area in which the family currently resides is suited to that particular family.

Q80 **David Mackintosh:** Thank you. What is your view on the role that housing associations should play in terms of homelessness prevention?

Mr Jones: That is a very good question. Housing associations certainly have a very strong role, still, in providing housing at a lower cost than would generally be the case in the private rented sector. There are a number of things that we are doing to support housing associations. I am not sure that we would go as far as has been the case in Wales, where we have decided to put further burdens directly on the housing associations. That is pretty much the case because of the decisions made in 2008, and the fact that housing associations subsequently have been reclassified as being part of the public sector. We are keen to deregulate them and make sure that they go back into being private sector organisations.

Q81 **Mr Prisk:** Going back to the finance issue, on the question of Wales we have heard only this morning that Lambeth has more people in temporary accommodation than the whole of Wales. One of the problems here is how, where the legislation, naturally, has national application, the resourcing can best help those high-demand areas. I have previously, on the floor of the House, asked you questions around the social impact bond, which I think has much merit. My question to you is: has the Government considered extending the role of or funding behind the social impact bond with specific reference to high-demand areas, particularly around this issue of prevention?

Mr Jones: You make a very good point, and that is why we are considering what has been put forward by Mr Blackman in the context of what is happening in Wales. Looking at the context of Wales, in many cases it presents quite a different housing market from the one that we have in London, and probably many other areas, particularly in the South East. We are looking at it in that context. We have also taken steps already to make sure that we are prioritising areas that have got the biggest issues in relation to temporary accommodation, for example. We released a fund of £20 million just before Christmas last year that went to the top 25 areas with the greatest difficulties. We are also looking at how

that will work in terms of devolving the temporary accommodation management fee. As I said right at the beginning of my comments, we are looking to develop, and in fact are very advanced in developing, a significant package that may well complement any legislation that was put forward, to acknowledge the comments that you have made—that the legislation will not necessarily be a panacea. In that context, certainly, we are looking at what more can be done with regard to social impact bonds, particularly to help entrenched rough sleepers.

Q82 Mr Prisk: I am mindful of the autumn statement on 23 November. Do you anticipate that these announcements are tied to that, or is it something you will be able to say more about beforehand?

Mr Jones: As I said before, we have had a good settlement in relation to the spending review by protecting the homelessness prevention grant and bringing forward additional money into DCLG for tackling homelessness, which includes the £139 million and the move-on accommodation funding. I have been very keen to bring particularly the money that has not already been allocated to local authorities together as a package, and look at that in the context of what has been proposed by Mr Blackman.

Q83 Mr Prisk: Is that a yes or a no?

Mr Jones: As I say, we have already been allocated that funding. That is with the department, and we are working in the context of that envelope. Obviously, we will have to then look at the Bill in its entirety, and, dependent on some of the things in the Bill and the new burdens that may be created, that is when we may or may not need to look at how that would be done.

Q84 Chair: Has the department carried out an estimate of the costs of the Bill as it stands?

Mr Jones: We have not got to that point as yet. We are doing work at the moment to look at what that might cost, but, as you will appreciate, Chairman, it is quite a complex area. There is a significant amount of data gathering, and there are some potential costs that we have to try to model on a best estimate case because figures are not necessarily available to say what the demand may or may not be.

Q85 Chair: When is that work likely to be completed?

Mr Jones: We are hoping to complete that work in the next few weeks. It is quite a tight timescale that we are working to here. It might help if Dee, perhaps, elaborated on that for you, Chairman.

Dee O'Donnell: Certainly, it will be very important to ensure that we have got the most robust possible cost estimates, and that, particularly, we are doing those estimates on the basis of an ultimately settled Bill. Once this process has finished, and you have scrutinised the richness of evidence that you have gathered and reached clarity, and Mr Blackman has reached clarity on the changes that he has accepted, it will be very important to do a cost estimate on the finalised Bill.

Q86 **Chair:** Will that be by the second reading?

Dee O'Donnell: We will obviously work as swiftly as possible, because, as the Minister has said, this is indeed a very tight timeframe, and we are very much seized of the urgency of doing as much as we can.

Q87 **Chair:** Are you therefore trying to get it by second reading?

Mr Jones: We are certainly endeavouring to do that. As I said, Chairman, these are potentially very complex calculations, and it is a very complex situation in terms of trying to predict what certain costs may entail.

Q88 **Chair:** I want to raise one specific issue. As I understand it, the Bill is indicating that where a local authority places a homeless household in the private sector, they should do a check to make sure that the property is fit, particularly that it has things like proper smoke detectors etc. Additionally, there should be a check that the person managing the property is a fit and proper person. Is the Government supportive of that?

Mr Jones: We are looking at that in the context of the rest of the measures in the Bill, the context of the comments that have come forward and the representations that have been made to the Select Committee. I am aware that local authorities seem to have some challenges around that, in terms of thinking that it may slow down the process of getting people into accommodation, so we need to take that on board. We also need to recognise that there are significant measures already, as there have been several Housing Acts, in relation to how a property that is being rented should be maintained, concerning gas safety certificates etc. We also need to look at this in the context of the legislation in the Housing and Planning Act that has recently been put through this House, where local authorities have far more significant enforcement powers than was the case just a short period ago.

Q89 **Chair:** However, enforcement powers are about dealing with things that are not adequate and putting them right. Would it not be a lot better to ensure that when a homeless family, who have not got much choice in the matter, move into accommodation—often in a great rush—the accommodation is safe and suitable at the very beginning?

Mr Jones: We, of course, want properties to be safe and suitable at the very beginning, as you put it. That is a very laudable aim, in our view. However, we have to balance the situation, and we have to look at the practicalities. Certainly, we are aware from the evidence that has been provided that there have been authorities that have been concerned. For example, a small district council with only one environmental health officer would require further resource. We have to consider that type of situation. We have to consider what it would mean for people in regard to how quickly they can get into the housing. We all want good quality

housing for people, but there is an issue around getting in there quickly in many cases as well. We have to find the right balance there, but it is certainly being considered within the work that we are doing, and we will obviously be happy to receive any further representations that come forward from the Select Committee's report.

Q90 **Chair:** I briefly have two final points. If I can go back to housing associations, is it reasonable for a housing association, which has received public money, to be able to say to a local authority, "Sorry, we do not want any homeless families here. Somebody else can house them"?

Mr Jones: In the context of many of the units that have been built, many of the councils still have the nomination rights for those units, so they are able to allocate those units for families as they see fit. We need to be mindful of the challenge of mandating housing associations and the challenges that that may cause. In the context of the purpose of housing associations, we should always look, in the way that we have with the voluntary right to buy with housing associations, at what more can be done to make sure that the aims of government policy can be carried out through organisations that, as you put it, receive significant amounts of government funding.

Q91 **Chair:** Finally, we have discussed in the Committee before that supported housing is very important in dealing with the problems that homeless families face in a variety of situations. When are we going to get a response from the Government about the funding issues on supported accommodation?

Mr Jones: We have done a significant amount of work. We have spoken to many stakeholders and organisations, and we are working very closely with the DWP in terms of the solution that we said we would come forward with. I would expect that we will come forward with a proposal and further information very shortly.

Q92 **Chair:** That was the answer we had before the summer recess, when we were supposed to get a statement before the summer recess. Are we going to get a statement before the end of this session and before we go into the conference recess?

Mr Jones: We are going to get a statement shortly, Chairman.

Chair: Right. We look forward to that. Minister, thank you very much for coming to give evidence to us.

Examination of witnesses

Giles Peaker, Executive Member for Parliamentary Liaison, Housing Law Practitioners Association; Chris Norris, Head of Policy, Public Affairs and Research, National Landlords Association; Neil Wightman, Co-Chair,

Association of Housing Advice Services; Lindsay Megson, Head of Service, National Practitioners Support Service

Q93 **Chair:** Thank you very much for coming back and staying with us. I am sure your answers will be much more informed now after hearing the Minister's comments.

Mr Prisk: I want to return to the issue of service standards. I will put this question in a slightly different way. Some of you have already alluded to this, but certainly the evidence, in looking at our report, and now the evidence from looking at this Bill, strongly suggests a wide variance in the service standards provided by local authorities, even when they are neighbours and when the demographics are quite similar. Why is that? Is it, as has been suggested by the National Practitioner Support Service, about training? Is it about management? Is it about something else? I do not know. Lindsay, do you want to answer?

Lindsay Megson: I agree that you only have to look at case law and ombudsman decisions to see that there is a varying degree of service being provided. What is clear from the work that we do to support local authorities is that local authorities working through the gold standard programme, which the Minister has funded and continues to fund, provide a more consistent and enhanced service that is more customer focused. By way of example, there are 10 local challenges that local authorities work towards. Local authorities that have achieved local challenge 10, for example, do not place any households in bed and breakfasts for over six weeks. Local authorities that have achieved challenge three provide written advice to all customers. The National Practitioner Support Service's gold standard programme provides a national framework for local authorities to work to. In line with that, we do provide training to those local authorities, both around homelessness issues and also, recently, through the VAWG strategy around awareness of domestic abuse. It is therefore cross-cutting. I certainly think that a structured training programme would be needed to implement the requirements of the Bill. It does, as we can see through the programme that we deliver, result in tangible improvement.

Q94 **Mr Prisk:** What is Lambeth's view on that?

Neil Wightman: I am sensitive to the concerns, but you have to put things in the context of the local area. For instance, in Lambeth we have no families in bed and breakfasts for over six weeks. It is a really important thing for us to make sure that families are supported. However, if we were to give a written statement of advice to every customer coming through the door, the resource implications to my teams

would be huge. We have a footfall of about 17,000 people coming into the service for advice every year. We then provide a casework service for about 4,000 who get a very good service. I am not saying that others do not get a service, since they receive advice and assistance, but that is verbal and directed to the website and things like that. Of those 4,000, only 500 are accepted as homeless. The rest is a mixture of priority need and non-priority need who are taking prevention options or are moving through our pathway. We provide a really good service for those people, and it is really important. As I mentioned before, we have to recognise that some behaviours have to change, but that is across the whole sector and not just local authorities: the applicant, expectation management advocates and landlords.

Q95 Mr Prisk: What are your thoughts on the variance of service provision?

Chris Norris: I certainly could not comment on the reasons for the variation, except to say that we witness it day in, day out, even in neighbouring boroughs, for instance. Some of the odd examples that are coming to us really do bring home how deep-seated this is in some areas. This is completely anecdotal, but we had a member call our advice line very recently who was in an area subject to discretionary licensing. One of the conditions of that licensing is that when incidents occur a landlord has a duty within a certain time period to end that tenancy. In this case it was antisocial behaviour. They tried to mitigate the risks and they had tried to mediate. They had reached the point where the local authority had advised them to end the tenancy. Due to the lack of witnesses willing to come forward, the local authority had advised them to use a Section 21 notice. They did that. It is a perfectly normal procedure to do so.

They were then contacted by their tenant or their tenant's representative to say that the same local authority had advised them to say put until the bailiffs arrived, because they were not prepared to recognise them as homeless until that point. Even within one local authority, you have a divergence of the advice being given, at least between the different parties. You wonder, to a certain extent, whose objective is being met by that. The outcome could be completely different in a neighbouring borough.

Q96 Mr Prisk: Obviously one of the critical questions is this issue we have heard evidence on before around a code of practice, and whether it should be mandatory or not. What are your views individually about this? If it is mandatory, how is it best enforced?

Giles Peaker: I am not entirely sure what the difference would be between a mandatory code of guidance and legislation.

Mr Prisk: It may not be a difference in that sense. Let me put it this way: it is the difference between a voluntary code and a legislative code.

Giles Peaker: Working on the basis of the current code of guidance, it would achieve some limited elements of what the present Bill is attempting to achieve. It may help in particular with the Section 21 issue and the refusal to accept homeless applications at the point of a Section 21 being served, because the code of guidance does emphasise that people should be treated as being at risk of homelessness from that point. But the current guide is clearly aimed at the current legislation. Apart from certain elements of good practice, I am not sure how much further it would go in achieving the recommendations that the Committee set out in its report.

Mr Prisk: Are there any other thoughts?

Lindsay Megson: I agree with supporting and updating the existing code of guidance with a further, supplementary code of guidance, but I feel that a mandatory code of practice would be over-prescriptive.

Neil Wightman: We would agree. It would create too much complexity, and it would stifle some flexibilities and innovation. As Lindsay said, an update of the current code would be our preferred choice.

Mr Prisk: What would your members feel, Chris?

Chris Norris: In general, we would tend to err towards there being discretion, because of the need for some kind of flexibility. Purely based on the experience of our members, we need a great deal more certainty, particularly on this issue of Section 21. At the moment, the ability to interpret what the duty currently is creates difficulties for us. Only this year we saw the Housing Minister writing to local authorities to try to reinforce the content of the current code of guidance. Whilst we are only six months down the line, we have not seen an appreciable change in behaviour. In fact, again anecdotally, we have seen a few local authorities coming back and saying, "This does not change our interpretation of what we need to do in any way." Purely based on that experience, we would want to see something that definitively defines what we are talking about.

Q97 **Mr Prisk:** Do you feel that stronger enforcement rather than legislation might achieve that, or is it better having it in primary legislation?

Chris Norris: At this point, bearing in mind the financial implications for our members and for the wider PRS, we would like to see it in legislation.

Q98 **Kevin Hollinrake:** In the interests of time, I will direct my questions to Mr Wightman. These are regarding some of the new duties placed on local authorities. Do the new local connection rules work for Lambeth?

Neil Wightman: No, I do not think that they do. We would prefer local connection to remain largely as it is, related to where you are living or where your last local connection has been. We are worried that if you widen it out and make it more flexible, it is going to provide another layer of investigation to determine whether somebody had a local connection in

your area at whatever point in time. Multiple applications and local connections create a layer of complexity that is not needed over the current rules.

Giles Peaker: I am not sure that, as drafted, it operates. Currently, Section 198 asks whether an applicant has a local connection to your authority, and, if they have not, whether they have a local connection to another authority to which you can refer. The amendment to Section 199, to define the local connection, seems to set a burden of proof on the applicant. If the position is the applicant has no connection with the local authority to which they have applied, it is then a question for the referring local authority to establish the local connection to another authority, rather than for the applicant to prove it. It seems to suggest that the homeless applicant has to somehow prove a local connection, which, under the way that Section 198 works, they do not. I think I am right on that.

Lindsay Megson: I made the same observation. It did appear that the burden to prove the local connection rested with the applicant, and the burden to disprove it with the local authority. I know many of us would struggle to prove where we lived for six months at some point in our lives. We do not support the idea that a homeless household, possibly at crisis point, should have to do that. In our opinion, the local connection criteria works as it is, and there is no need for a revision.

Q99 **Kevin Hollinrake:** What about the requirement for local authorities to secure accommodation for eligible homeless applicants for a period of at least 12 months?

Neil Wightman: We would prefer it to be six months. There are other non-AST licence options, for instance in hostels, where only six months is granted, and then you look at move-on options. Having a 12-month period would potentially exclude that as a reasonable housing option. I would not want to see any legislation limiting the options available to homeless people, and that would be the consequence of a 12-month minimum in some circumstances.

Lindsay Megson: I agree.

Giles Peaker: The 12-month minimum is for discharge of duty. There would be no problem with somebody being accommodated in the interim in a homeless hostel, with the homeless duty continuing over that period. I am not sure I see an issue here. 12 months is the current condition for private sector tenancies in the Act as amended by the Localism Act. I do not see a necessity to depart from that.

Q100 **Kevin Hollinrake:** Does that alter your view?

Neil Wightman: It is difficult to say how we would operate it, because the new proposals would change matters. For instance, those authorities that use a pathway model move people into pathways. That six-month period would be the licence arrangement. We then work with our voluntary sector partners, and they take responsibilities for move-on. At

that point, we are not involved beyond supporting the voluntary sector. I take Giles's point about the discharge, but it would not work in practice with regard to our arrangements and how we work with the voluntary sector through hostels and pathways.

Giles Peaker: That would not currently be a discharge of duty.

Neil Wightman: No.

Chris Norris: On behalf of private landlords, we have certainly not raised an issue. Our interpretation was that it is not too much of a departure from the status quo. In terms of pure practicality, if the intention is to get people into a permanent settlement and tenancy as early as possible, a 12-month period rather than an initial six months could be a barrier. You would be asking landlords to take on a tenant group that could be perceived to be of high risk. Anything that allows a period for both parties to work out whether the tenancy is sustainable before committing to a longer term would be useful for us.

Lindsay Megson: This is one of the areas where local authorities struggle to access the private rented sector. Lots of landlords may be willing to work with homeless households, but 12 months is too much. They would not grant a 12-month tenancy to somebody who was not coming through the local authority, so why would they grant that tenancy to a homeless household? Six months would definitely widen prevention options.

Q101 **Kevin Hollinrake:** Is it workable for councils to be required to provide emergency accommodation for 56 days to homeless non-priority applicants?

Neil Wightman: This is one of the key areas. It is not workable due to the potential cost. We have done some research through AHAS to look at London local authorities and how that would work. We have done the analysis based on the current footfall for last year. We have discounted it by 30% for potential repeat visits and by another 30%, assuming a prevention rate of 30%, and used the net average TA cost for eight weeks after housing benefit has been taken off. That comes to about £100 million for London based on the current figures. That does not include any new demand.

Crisis reported in January that they believe there are 2.35 million concealed households—single people in other households. There is a massive potential unmet need. If the local authority is put in a position in which it has this duty, it will become the root of housing. The majority of people will then go into emergency accommodation, because of our failure to provide the prevention option of private rented accommodation, for the reasons we mentioned earlier.

Q102 **Kevin Hollinrake:** You have to look at this Bill in the round. There are prevention duties as well as duties in terms of this emergency accommodation. Is it not the case that one would relieve pressure on the other?

Neil Wightman: We would be able to prevent some. In our research, we assumed a 30% prevention rate. We can do lots of prevention, particularly where people are in their existing accommodation and preserving that. However, once they have lost their accommodation and have nowhere safe to stay, the opportunity to prevent homelessness by giving them an alternative home is really difficult, for the reasons we mentioned in terms of accessing private rented accommodation, which is the root.

There is a limited supply of hostels through our pathways, and we are using all of that available accommodation at the moment. The private rented sector is the root. With the difficulty of the shortfalls and access in the locality, it is going to be virtually impossible to procure more. Last year, my services procured four single people in terms of move-on, and for non-priority about 100 private lets; of those, around 30 were in Lambeth and the rest elsewhere.

There is a critical mass of accommodation. If we threw a lot of money at it, it does not mean that we would necessarily get more private lets. There are only so many available to rent at the lower end of the LHA market.

Q103 **Kevin Hollinrake:** Across this inquiry, we have heard lots of evidence of substandard service provided to homeless and potentially homeless people. We know there is a real problem here. Which parts of this Bill, aside from the financial aspects, would you welcome, and which do you think are most workable?

Neil Wightman: We would welcome a focus on prevention and early intervention, and suggest providing a duty for local authorities to become more involved in preventing homelessness without necessarily having an accommodation solution. The more private tenants who can come in and get advice about preserving their tenancy, the better. The earlier the intervention, the better. I would really welcome all of that, and support the local authority in doing it.

Lindsay Megson: The 56-day duty to accommodate, as drafted, would be too onerous on local authorities. I would be concerned about an increase in temporary accommodation, bed and breakfast and out-of-area placements as a result. I would prefer to see an enhancement of the No Second Night Out work that local authorities are doing in partnership with the voluntary sector, and further support for the No First Night Out pilot that is taking place in a number of areas. That is where the focus would be better placed.

Giles Peaker: Personally, I regard the 56-day provision as being important. I fully understand that if it was taken as a general duty to anybody who presented as homeless and was not in priority need, you would be looking at significant numbers. However, I am not sure that is necessarily the case. If we are looking at the numbers of people who are

street homeless or fleeing domestic violence, which is often overlooked, then the numbers are relatively limited.

We have to remember that under the current legislation, domestic violence is a reason not to remain in a property but not a category of priority need. You have to be vulnerable by reason of domestic violence, so it is entirely possible to be fleeing domestic violence and not be in priority need; indeed, it happens quite often. Crisis accommodation for a limited period has great value for people in that situation, and potentially for rough sleepers.

In terms of the purpose of the amendment, it is directed towards people who have nowhere safe to stay. Perhaps that should be taken forward. If it is interpreted as a general obligation to house anybody who is homeless, regardless of priority need, for a 56-day period, I would accept that.

Q104 **Kevin Hollinrake:** Would you stick to priority need?

Giles Peaker: No. They have to accommodate in cases of priority need, and that is fine. If we are looking at a limited duty of emergency accommodation for a period of 56 days, in order to help people get on their feet until they find something else, you are dealing with cases on a “nowhere safe to stay” basis. In principle, you are dealing with people who are not necessarily vulnerable but are at risk.

Rough sleepers and those fleeing domestic violence are the two obvious categories, in that they are not otherwise in priority need. It is a breathing space, hopefully to enable these people to obtain something where they are otherwise at serious risk. We know what the situation is like for rough sleepers. Conceived of as a limited emergency duty, where safety is the concern, it is valuable.

Q105 **Kevin Hollinrake:** Would that be workable?

Neil Wightman: It would certainly be more workable, and many local authorities operate on that basis already—those with pathways, such as my local authority, Camden, and many others. We recognise that there are three groups of homeless applicant: those in priority need, for whom we have legal duties and to whom we are obliged to provide temporary accommodation; those who have no priority need and no support needs; and those in the middle, who we protect through our pathways models. The latter group would include the people Giles has mentioned: those who require a certain safety net and have more complex support needs.

An example would be setting up sanctuary schemes and offering protective support services for those fleeing domestic violence. As it is currently drafted, the Bill would go much wider than that. For the relatively small number of people who we currently want to support, help and take responsibility for, a legislative framework could be further developed. However, for the wider group, we would have serious concerns.

Chair: Thank you all very much for coming. It has been really helpful for the Committee to go into some of those very detailed issues and get your responses to them.